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Thai Firm Surveys Investment, Economic Conditions

92A60018A Bangkok SIAM RAT in Thai 9 Feb 92 p 9

[Article by Office of the Economic Adviser, Charoen Phokphan]

[Excerpts] [passage omitted] As far as economic policy is concerned, the Heng Samrin regime, which is supported by Vietnam and which began administering the country on 8 January 1979, has tried to revive the country's economy and trade by using a free-trade system to promote an increase in production. It has tried to develop the country's monetary system, and it introduced a currency system in 1980. And in 1980 it implemented the First Economic and Social Development Plan. The targets were to develop the agricultural sector by increasing production efficiency, revive medium and small-scale industry in the country, and encourage people in the private sector to play a greater role in production by dividing the country's economic activities into four types:

1. State activities: These are activities that are carried on only by the state. People in the private sector are not allowed to compete.
2. Cottage activities: These consist of small-scale production activities such as retail trade and handicrafts.
3. Joint ventures: These are activities in which groups of private individuals join together to carry on production, with the focus being on agricultural activities.
4. Private-sector activities: These are important economic activities that the state has opened up to people in the private sector and that the state is promoting. This includes various industrial activities.

Besides this, the government has stopped monopolizing certain types of activities such as transport activities and has restored the system of private ownership of assets. But these policies have not yet produced the desired results because of the turmoil caused by the civil war. Now that a peace agreement has been signed, Cambodia's economy shows signs of improving.

The basic economic factors by economic sector can be discussed as follows:

1. The agricultural sector: [passage omitted] Besides crop cultivation, the forests are an important production resource of the agricultural sector. Today, approximately 134,000 square km, or 73.9 percent of the area of Cambodia, is forest area. But timber felling for economic benefit is still very limited. Because of this, several Thai timber companies have asked the present Cambodian government for timber concessions.

In short, Cambodia's agricultural sector has great potential for the development and expansion of production, because the country still has much fertile land. But Cambodia lacks the factors for promoting development.

In particular, in the timber sector, the saw mills are in great need of repair and improvement. And there is a need for technology used in producing products from wood for both domestic use and export.

2. The industrial sector: [passage omitted]

Cambodia now has 63 industrial plants in operation. The six main types of industries are:

1. Electricity and energy: Today, there are four power plants in Phnom Penh. But their power generating capacity is insufficient to meet demand.
2. The machine industry: This includes the production of tools and parts for agriculture and motorcycle parts.
3. The textile industry: This includes textile plants, most of which are using outmoded equipment. Also, cotton still has to be imported from Russia.
4. The chemical industry: Most of the items produced are produced from para rubber. There are also phosphate plants and dry cell battery factories.
5. The food industry: This includes sweetened condensed milk, soft drinks, and ice.
6. Light industry: This includes soap, paper, hides, and glassware.

Today, the Cambodian Government is allowing foreign investors to invest in the industrial sector. It is signing 20-year and even longer leases. Or it is selling industrial plants to private foreign investors. There are two important conditions attached to the lease or sale of these industrial plants:

1. The foreign investors must put up a guarantee or pay earnest money to the government in the amount agreed on, which depends on the size of the activity.
2. The project must get under way within three months after the contract is signed. If activities do not get under way by then, the government has the right to take the money put up as a guarantee.

Besides this, the government has implemented an investment promotion program. As a result, foreign investors have submitted a total of more than 200 projects to the government. To date, the Cambodian Government has approved and officially signed contracts for approximately 30 projects. These are investment proposals submitted by Thailand, Hong Kong, Singapore, Japan, and Western countries.

3. Tourism: Cambodia has many tourist attractions. If the government can improve the basic factors and provide better facilities than now exist, tourism will become an important source of revenues for the country. Coordinating things with neighboring countries in promoting tourism is important to Cambodia's tourist industry. Given this, Thailand, which has much experience in this field and whose factors meet the standards required by tourists, has a chance to help and support tourism in

Cambodia. Thailand will be like a gateway or road to Cambodia and the other Indochina countries. Besides this, Thai investors and others are interested in investing in hotels and in providing tourist services.

Cambodia's interesting tourist sites include Angkor Wat, Angkor Thom, and various stone ruins. There is also the Preah Vihear Temple, Battambang, which is the site of excellent gemstones, the Khao Vong waterfall on Koh Kong Island, and the beach at Ban Hat Let. As for facilities, in Phnom Penh there are several hotels for tourists, and there are domestic flights from Phnom Penh to Siem Reap, Odar Meanchey, Battambang, and Koh Kong. As for international flights, there are flights from Vietnam, Laos, the Soviet Union, Singapore, France, and Thailand. Bangkok Airways has five flights a week.

4. The finance and banking sector: Today, Cambodia has four banks:

1. The Bank of Cambodia carries out tasks similar to those of the Bank of Thailand. That is, it issues various regulations. Besides this, it also serves as a commercial bank in mobilizing capital for the government and extending credit to the private sector.

2. The Foreign Trade Bank is involved in international trade and foreign currency exchange activities.

3. The Public Bank of Cambodia is involved in domestic monetary activities.

4. The Cambodian Commercial Bank is a joint venture between the Thai Commerce Bank Ltd. and the Bank of Cambodia. The Thai bank owns 70 percent of the shares. It is the first foreign bank to carry on operations in Cambodia since the change of administration. The main targets of the Cambodian Commercial Bank are to facilitate things for foreign investors who are doing business in Cambodia, develop trade activities along Thailand's eastern border, and help develop the monetary system of the country's banks so that it meets international standards.

The main services provided by the Cambodian Commercial Bank are:

1. To accept baht, dollars, and riel.

2. To facilitate foreign trade activities, including both exports and imports.

3. To facilitate transfers of money.

4. To buy, sell, and exchange currencies and purchase credit card slips such as blue and gold credit cards and GCB. In the future, it will handle Visa and Master Card credit cards.

5. To provide credit services.

Besides this, Cambodia is in the process of opening a new bank. This is a joint venture between the Bank of Cambodia and the Thai Farmers Bank. The Thai

Farmers Bank will hold 90 percent of the shares. The fact that Cambodia is now allowing the Bank of Cambodia to engage in joint ventures with other banks will probably make the country's monetary markets freer and stimulate more competition in the future.

5. International trade: Today, export goods that are controlled by the government in conjunction with the private sector include rice, soybeans, teak wood, rubber, tobacco leaves, and corn. Other than these goods, people in the private sector are free to export goods by themselves. All they have to do is request permission from the Cambodian Ministry of Commerce.

As for imports, permission must first be obtained from the Ministry of Commerce, and permission to send money abroad must be obtained from the national bank. Imports can be divided into three groups:

5.1. Necessities brought in by the state. This includes oil, chemicals, raw materials, machinery, parts, building materials, and medicines.

5.2. Necessities that can be imported by people in the private sector, such as clothing, vehicles, electrical goods and food.

5.3. Other goods such as buses for tourists, motorcycles, video equipment, television sets, refrigerators, cigarettes, liquor, and beer.

The value of Cambodia's international trade in 1988 was 3,775 million baht. Cambodia's trade deficit was 2 billion baht. Its most important trading partner was the Soviet Union followed by Vietnam, Thailand, and Singapore. In 1988, Cambodia's value of trade with Thailand totaled 14.4 million baht, with Thailand enjoying a trade surplus of 13.4 million baht. In 1989, the value of trade increased to 91.7 million baht, with Cambodia enjoying a trade surplus of 86.9 million baht. Cambodia's important imports from Thailand include fans, soft drinks, air-conditioners, cosmetics, shoes, food, and agricultural produce. Thai imports from Cambodia include metal ore, scrap metal, and paper pulp.

There are now six trading points along the Thai-Cambodian border. These are at the Khlong Yai checkpoint in Trat Province, the Ban Khlong Luk checkpoint, the Wang Cha-o checkpoint at Ban Khok Sabaeng, the Aranyaprathet checkpoint, and the Tha Laem checkpoint in Prachinburi Province, and the Chong Chom checkpoint in Surin Province.

6. Foreign investment: More and more foreigners are investing in Cambodia. They are investing in milk production plants, hotels, trade centers, noodle production plants, and so on. The countries investing in Cambodia include Japan, France, Thailand, and Singapore. Some of this money is being invested to restore old plants, and some is being used to build new facilities.

Cambodia's important investment law is the law that was implemented on 26 July 1989. The important contents of this can be summarized as follows:

1. Cambodia will support foreign organizations and individuals who invest in Cambodia or who bring new technology into the country by guaranteeing their capital and granting them various rights.

2. There are three forms of investment:

2.1. Joint state enterprises: These are joint ventures between foreign investors and Cambodian investors or the Cambodian Government. These will carry on activities in accord with the agreement reached between the two sides.

2.2. Foreign enterprises: These are activities in which foreign investors have put up all the money.

2.3. Joint venture enterprises: These are activities in which foreign and Cambodian investors have invested. There are clear stipulations on the types of activities, the scope of the activities, the length of the activities, and the rights and responsibilities of each side.

3. Investment capital: The law stipulates the form of investment by each side as follows:

Foreigners must invest in the form of foreign currency acceptable to Cambodia, machinery and raw materials used in business, patents, and technology used in production.

Cambodia must invest in the form of Cambodian currency, natural resources, raw materials, and machinery.

As for labor, the law stipulates that laborers in Cambodia must be used unless the activities require the use of high technology or laborers cannot be found in Cambodia.

4. Protections for investors:

4.1. Throughout the period of investment in Cambodia, the capital and assets of the investors will not be moved or seized by the state.

4.2. Investors can move or transfer the following to another country:

The profits earned from their investments.

Foreign loan capital used in investing and the interest paid.

Insurance funds from investments.

Cash and assets belonging to the activities in accord with the law.

5. Tax regulations:

Taxes will be collected in accord with the law. However, taxes will be waived in the case of export activities.

Income taxes will be collected at a rate of 15-25 percent of net profit. This tax may be waived or reduced for a period of two years starting from the year that operations show a profit. This time period can be extended for up to two additional years.

When foreign investors want to take their profits out of the country, they must pay another tax equal to 5-10 percent of the profits taken out of the country. This tax can, however, be waived or reduced in cases in which the state feels that it is necessary to support the investors.

Besides this, a reserve fund must be established. The business entity must set aside 5 percent of its profits after trade and income taxes in order to establish a reserve fund. This reserve fund will not exceed 25 percent of the registered capital. Moreover, these business entities must pay money into the Cambodian social labor insurance fund for employees as stipulated by the law.

As for present investment opportunities, Cambodia has many investment opportunities and paths. The industries in which investments should be made include the following:

1. The production of iron and steel. This is because Cambodia has much scrap iron from the weapons and machinery destroyed during the war.
2. Goods made from para rubber such as shoes and vehicle tires.
3. The production of water pumps.
4. Fresh and frozen aquatic products.
5. Soft drinks and mineral water.
6. Wood products such as furniture.
7. Telecommunications and transportation projects.
8. Tourism. [passage omitted]

Sisavat Keobounphan Leadership in Army Unit Noted

92SE0170A Vientiane PASASON in Lao
17, 18, 21, 22 Jan 92 p 3

["Reminiscing About the Latsavong Unit" on the 43rd Anniversary of the LPA, Lao People's Army by Bouahan Houangmali]

[17 Jan 92 pp 3, 4]

[Excerpts] In the long struggle we had to endure long-term hardship and deprivation without becoming discouraged and fight bravely to achieve our certain victory. [passage omitted]

The people did not come together often, and some houses were not cared for.

In a little while the platoon regained its order, and Mr. Latsavang, the leader of one platoon of the Latsavang Company (unit 585), was invited to come forward to express his views.

Mr. Latsavang, the platoon commander, was [big and humble] He had the appearance of one who was strong and skillful. But he was polite, spoke softly and was cheerful.

Mr. Latsavang, the platoon commander, said: [passage omitted]

We Lao people are hardworking and industrious. We want happiness, justice, peace and independence. But the French imperialists invaded our country and made it a colony. They have made our people their slaves for more than 60 years. They employed some of the reactionary, feudal lords to serve them and oppress the workers. The suffering Lao people had two yokes on their shoulders: the first was that of the French imperialists, the second was that of the reactionary, feudal traitors.

Faced with this situation in which the country was invaded, independence was lost and the people were oppressed, the central echelon for the Free Lao Front and the Lao resistance government called on the multi-ethnic Lao people to rise up and fight to save their nation from the French imperialists and the reactionary feudalists in order to liberate the country and achieve independence. [passage omitted]

Fortunately the propaganda and requests of the platoon commander were like good medicine and provided a good opportunity for us to become free Lao soldiers and to join with the free Lao combatants in freeing the nation. [passage omitted]

[18 Jan 92 p 3]

[Excerpts] When we traveled to Son District of Houa Phan Province, which was the assembly point for the Latsavong Company, we were received with affection by the cadres and combatants of the unit. They looked after

us as compatriots of the same blood. They provided us with a place to stay and food such as conditions allowed. [passage omitted]

Mr. Outhen, the leader of the second platoon, called us to order and ordered everyone to stand straight and then run vigorously to report to the company commander.

The company commander was Mr. Sisavat Keobounphan himself. He said that as the cadres, combatants, new volunteers and all our compatriots already knew, the enemy had set up a large position in Sam Neua District of Houa Phan Province. Our people in Xieng Kho District, Peun District, and other locations in the area of this position were seriously threatened and were very hard pressed. They were counting on us to liberate them.

The central echelon for the Free Lao Front and Lao resistance government decided to start battles throughout the country to support the battle to liberate Dien Bien Phu in Vietnam.

Our unit was called an armed propaganda unit. Our duty was to prepare the way for the liberation of the area around Xieng Kho District as well as Sam Neua District, Peun District and the Lanakhang caves. After areas were liberated throughout Houa Phan Province, they were to be given to us to improve and build up a political base. Mr. Sisavat asked the opinions of the cadres and combatants as follows:

Do you agree?

Yes, yes, yes, we said three times in succession.

Can you do it?

Yes, yes, yes, we said three times in succession, and we all raised our fists to indicate our decision.

Then Mr. Sisavat Keobounphan turned to speak with my group of young volunteers:

You probably understand already what I just said about who our enemy is and how brutal he is. The central echelon for the Free Lao Front and the Lao resistance government has called on us to work in yet another area. You will learn that being a Free Lao soldier is not easy! There is no salary, and we do not have a clothing allowance. We must rely on ourselves for food. We have to sacrifice everything including our personal happiness. We might have to sacrifice our lives and blood for the nation and the people. We suffer before the people do and achieve happiness after the people do, but we will receive a great honor - we will liberate the nation from being a colony of the imperialists and from being enslaved by the feudalists. The nation will have peace and independence, and the people will be happy. The people will admire us and thank us. That is the great honor for us.

Mr. Sisavat Keobounphan wondered if, when we saw the hardship and sacrifice experienced by Free Lao combatants and saw the great honor they achieved, we would volunteer to be Free Lao soldiers with them or would return home. He asked us to think carefully so that we would not have any regrets later. If anyone wished to volunteer they were to get up and stand on this side!

We stood up, called out that we would volunteer and went to the place he indicated. Then our friends and others raised their hands to volunteer with us. [passage omitted]

[21 Jan 92 p 3]

[Text] When I see a good commander like this, I respect him like a father or an older brother. This was especially true for Mr. Sisavat Keobounphan. I was under his command and ate and slept with him. In the cold season we stayed in the Lanakhang Caves not in Vieng Sai District. His only blanket was very thin, and my blanket, which my mother brought, was old and thin. He said:

(We would be better off if we slept side by side. Then we could cover ourselves with two blankets).

We agreed. I combined my blanket with his. When I slept together like this, I felt happy and warm in body and spirit. My thoughts of my parents did not affect my duties.

I not only respected and served my commander as was my duty, but I helped him as much as I could: I wove hats, mended clothing, and sometimes washed clothing for him. I did this voluntarily and happily. He did not order me.

Confidence

Because of the instruction and affection of the commander, all the cadres and combatants were happy, confident, faithful, resolute, brave and willing to sacrifice everything. They did not yield to hardship or fear sacrifice. No one asked for compensation, and they were always ready to follow orders and sacrifice life and blood for the nation and the people.

It would not be incorrect to say that all this was demonstrated in the conduct of their operations and lives. Even though they ate wild yams, bamboo shoots and wild plants without salt instead of rice, they ate happily. When friends were killed or wounded, they did not lose heart - they still had affection and compassion for their friends, but they increased their hatred of the enemy, and their confidence and resolve in battle increased many times.

Reality

Our commander advised us that we would certainly win, the French imperialist invaders would lose, and the feudalist reactionaries would collapse. Our country would be liberated, and the people would become masters of the nation. Our revolutionary banner would

become the banner of the nation. It would fly over Vientiane and throughout the country.

[22 Jan 92 p 3]

[Excerpt] [passage omitted] Because the revolution grew and expanded and the Army grew, the unit could not be kept a company. The Latsavong Company (585) became what is now the 585th battalion. The cadres and combatants of the former Latsavong unit generally are not in the 585th unit any more. They are in other units, are retired and drinking beer on pensions or are building family economies according to retirement regulations.

Reminiscences

We will never forget the name of the Latsavong Company or the names of its commanders: Sisavat Keobounphan and Khammoun. The platoon commanders were: Latsavong, Outhen, Manivong and Saisombat. [passage omitted]

Xieng Khouang Militia Responds to Enemy Activity

92SE0199A Vientiane KONGTHAP PASASON LAO
in Lao 5 Feb 92 pp 3, 4

[Article by Boulapha Thindoi]

[Excerpts] [passage omitted] A special feature of Xieng Khouang Province is that it is a large, unpopulated area of a fertile plateau, which is rich with natural resources. People make their homes in its isolated, mountainous ranges. The area is also a strategic military point, as it has always been since the period of the war of expansion by those new imperialists who fiercely attacked to destroy and seize the land. Now this special feature has provided an opportunity for a group of criminals to take up arms and continuously cause unrest among Xieng Khouang people.

However, following a resolution passed by the committee for nation and peace defense, the task of defense is delegated into the hands of all the people. [passage omitted] Compared to the same period of 1990, the militia in 1991 has taken new steps forward, such as, having more self-awareness, a thorough understanding of how to defend the peace for the nation and the party. Most militia are competent to undertake the tasks of national and regional defense. Several companies of the militia have mobilized to demolish criminals' houses. Many undrafted young men joined the militia willingly, and several hundred young women also joined them. This helps increase the number of citizen fighters in the militia network over past years.

The proud deed that deserves the highest praise was participation of the people in the nation and peace defense. The network has been established all over the province to establish homefront support by strongly espousing the work of the militia. The province's governor and his group have paid close attention to and

forged an intimate relationship with the militia in each zone, by following their movements, and visiting with, and guiding those stationed in isolated area. Sometimes, the governor and his group spend the night and share meals with them while they are on duty in each zone. Besides performing his administrative duty as mentioned, the governor has allowed money to buy complete sets of clothing for each militia person each time he is on active defense duty. This action boosts the militia's confidence in the party's leadership, and encourages them to take a more conscientious step in their responsibility. [passage omitted]

Writer Links 'Liberal Democracy,' Subversion

92SE0169A Vientiane VIENTIANE MAI in Lao
17, 18 Jan 92 p 2

[Article by B. Phongsa: "Liberal Democracy?"]

[17 Jan 92 p 2]

[Text] This article is not about the theory of democracy but about the true nature of "liberal democracy." I am writing it in order to be able to exchange views with our readers. I will present my personal views about "liberal democracy." I am not speaking for the party or state.

We have reached the end of this century, and the world situation has changed a great deal. The changes in the countries of Eastern Europe and in the Soviet Union are especially clear. They changed from socialism to "liberal democracy." These changes have brought about a clear conflict in the world. These countries did not just change from socialism but the capitalist countries which sprang up also changed to "liberal democracy." Since there is only one superpower in the world now, the old capitalist and imperialist countries must bow down and accept the orders of this superpower. Now there is a serious conflict between the side of "liberal democracy" and the side which does not accept "liberal democracy." This conflict is definitely spreading from the socialist camp to the capitalist countries.

In particular in the LPDR [Lao People's Democratic Republic] we are fiercely resisting the doctrine of "liberal democracy" which is creeping into our country. Our party and state have specified that our political system should be a people's democracy. Their goal is to make our country one of peace, independence, democracy, unity, and lasting prosperity. This would respond to the strong aspirations of all the Lao people. Everyone is unanimous in wanting this. Nevertheless the reactionaries, imperialists and their followers and the Lao expatriot reactionaries believe that our system of people's democracy is like a poisonous snake for them. Therefore they never cease in trying to destroy our system of people's democracy. They would like to put a system of "liberal democracy" in its place.

They have maintained this determination from the time when our party and state adopted the policy of the new

changes until now. They have constantly spread the propaganda that our system is not a democracy but a dictatorship. They have tried to explain that democracy requires many parties. They believe that only if there are many parties can there be democracy. But they have not opened their eyes and seen the developments in the countries which have changed from the one party system (the Communist Party) to the multiparty system. These countries have experienced great difficulties and are steadily becoming more miserable and poorer. They do not realize that liberal democracy is a system in which some serve the interests of others. It is good for some, not for others.

What is "liberal democracy"? It is democracy without an organization, leadership, a center, laws, or a government. One could correctly describe it as anarchy, meaning that any person in society who wants to do something can do it whether it is just or not and whether it is compassionate or not. There is no power to stop anything. This kind of democracy is evil. It will just lead the nation and the people to ruin and hell. In the end it will just lead to death. This kind of democracy has sprung up in the Soviet Union and the countries of Eastern Europe, and this has confirmed our views of it. The events brought on by "liberal democracy" there are as I have described them. I do not hesitate to say that it is a fearful system and more brutal than any other in the history of human society. Because of these events I think that there is probably no one who is not afraid of "liberal democracy" especially those in the administrative class of the capitalists. There is probably no one who wants this kind of democracy.

"Liberal democracy" is a political system separate from capitalism. It was social-democrats who set up this system, and then the reactionaries and imperialists used it to destroy the socialist system, the world revolutionary movement and the order of the world. "Liberal democracy" is a kind of poison which outsiders coat with sugar so that it smells good and looks appetizing. Those who eat it have nothing to expect but death.

In the past and now our enemies have not just disseminated deceptive propaganda among our multiethnic people to lure them into accepting "liberal democracy," they have also slandered the system of Lao people's democracy to make the multiethnic people hate our party and government and hate people's democracy. In addition they concentrated their strength on destroying our system of people's democracy by every means including sending in expatriot soldiers and spies to work with the underground they had established and to supplement the bad groups in causing political instability, philosophical confusion, destruction of social order and causing our youth to be tired of our culture. In fact events have occurred constantly because of the actions of our enemies, such as: using force to seize certain localities, setting up roadblocks and shooting at convoys of vehicles on certain highways, threatening to blow up certain places, seizing power in certain places, sending bandits and bad people to steal cattle and buffalo and burglarize, encouraging their lackeys in the underground to organize prostitution, luring Lao women into being sold into prostitution in Thailand, luring the youth into working in Thailand, and

secretly setting up youth gangs here and there with each gang having a territory in which to cause trouble. These youth drank liquor, used marijuana, sniffed glue, played cards, and were only interested in amusements. They were without discipline. The amusement table [arcades] were used as places to gamble and drink liquor and as meeting places for prostitutes. The developments mentioned above were all schemes of the enemy to make us change from a people's democracy to what they called a "liberal democracy." Every development which was mentioned above was suppressed and eliminated by the people.

The multiethnic Lao people are not unintelligent or insane - they still have a moral consciousness and can see with their own eyes that "liberal democracy" is the road to hell and death, so no matter if the enemy uses 108 thousand different schemes to deceive them, the multiethnic Lao people will never believe them and will not accept their evil system of democracy.

[18 Jan 92 p 2]

[Text] They will not only not accept it but will suppress every manifestation of liberal democracy no matter whether it is small or large.

The democracy chosen by the Lao multiethnic people is people's democracy. This type of democracy is of the people, by the people, and for the benefit of the people. There has never been a democracy which has been truer and more democratic in the history of the Lao nation than people's democracy. This democracy is practiced in form even though it is not complete. But one can see that it is many times better than "liberal democracy" because our people's democracy is improving the living standard of all classes of people steadily. Of course our democracy will have to be improved gradually. "Liberal democracy" on the other hand has steadily caused people more misery.

Every action which is part of an enemy scheme to destroy our system of people's democracy, no matter whether it is small or large, is suppressed by the forces of the multiethnic people without compromise. This suppression is suppression of the enemy, and therefore these actions are correct, just, and compassionate actions by the multiethnic Lao people to defend and preserve their system of democracy and their nation. These actions are also the duty and obligation of all Lao citizens. When we suppress the enemy, they complain that we are suppressing democracy, are violating human rights, and are not being compassionate. That which they believe is just, compassionate and in keeping with human rights includes starting wars, conducting wars, killing, destruction, fraud, deceit, unemployment, starvation, and death. We have seen such developments recently in Cambodia, and such things can be seen every day now in the Soviet Union and Eastern Europe. From this selection we can say that this is the compassion of death alone.

For the benefit of the multiethnic Lao people who want "liberal democracy," I call that democracy, the democracy of hell, and that compassion, the compassion of death. The Lao people will definitely not allow anyone to

bring it to our country. The multiethnic Lao people have increased their awareness of the schemes and destructive actions which the enemy might engage in and will resolutely defeat them and preserve the nation and the Lao system of people's democracy.

Subversion, Armed Resistance in Xieng Khouang
92SE0199B Vientiane KONGTHAP PASASON LAO
in Lao 21-27 Feb 92 p 3

[Article by Boulapha Thindoi]

[Excerpts] [passage omitted] To get a clearer picture, the reporter asked to see a comrade in charge of militia affairs at the military general headquarters, Xieng Khouang Province. He gave a detailed statement concerning Ang District, a subdistrict of Phou Kout City, Xieng Khouang Province. Ang District is more than 30 kilometers northeast of Phon-savan municipal limits, a rural community with mountains and wild jungles. This is why in 1991, criminals took advantage of this special terrain as a hideout to mobilize an effort to dismantle the people's peace. Besides trying different methods of propaganda to distort our party's new changes, they took arms to agitate and continuously cause unrest. Their activity turned the district into a dangerous zone for transportation in 1991.

This situation resulted in large numbers of patriotic citizens in the area joining the task of peace defense. They recommended improvements in the militia, especially in establishing a company that could be easily mobilized or served in a fixed location. They established a headquarters to train and then encourage a company to perform its duty. The people played a supportive role, materially and mentally. When the militia is on active duty, the homefront collectively sees to business and take care of the militia's families. In training, the militia are performing their patriotic duty. The people must provide support so that the militia can do well. They have been in action on several occasions. They establish a zone of repression, led by the district chief himself. They also joined forces with government companies, as well as schools in neighboring areas in the district.

The people's participation in the nation and peace defense and help in regional administration, motivates each militia man to perform his duty with utmost determination, and with absolute self-sacrifice. The role of the Ang District militia makes it a mighty force for the protection of their own region. In conclusion, in 1991, the militia's forces managed to demolish the criminals' hideouts three times. They took certain numbers of prisoners, and sought out and converted misguided men into renewing their belief in the administration. [passage omitted]

For this exemplary movement in establishing participation among the people in Ang District, which underwent great disturbances in early 1991, and then turned it into a fundamentally peaceful district [passage omitted].

ECONOMIC

Deputy Minister on ASEAN Trade Bloc, Tariffs

92SE0192B Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 19 Feb 92 pp 7, 10

[Report of Interview with Deputy Agriculture Minister At Taolanon]

[Text] The ASEAN countries have been thinking about forming an "ASEAN free trade zone" for more than 10 years. The purpose of this is to join forces economically. But to date, nothing has been done about this, because if such a zone is formed, each country will lose certain trade and investment rights and import duties, which are important points that these countries have been discussing for a long time.

The world is in the process of forming a new trade order. Competition is increasing. The world trade market is a single market. Buyers have the right to purchase goods from any source they want. But the countries that sell goods face various protectionist barriers when selling goods to countries outside their trading bloc.

Thus the "trade bloc zone" problem is a matter of world trade protectionism, and this is related to the GATT talks on customs duties and trade tariffs. Regardless of whether the talks succeed or fail, all of these things are a warning to ASEAN (Thailand) that we are on the brink of a trade protectionist war.

In order to deal with the threat of a trade war, the leaders of the six ASEAN countries have responded to the initiative of Mr. Anan Panyarachun, the Thai prime minister, on a free trade zone. This will go into effect for a period of 15 years beginning on 1 January 1993.

The ASEAN free trade zone plan stipulates that member countries must reduce their customs duties on all industrial goods to 0-5 percent within 15 years. This includes capital goods, processed agricultural goods, and goods other than those defined as "agricultural goods." These goods are included in the program to reduce customs duties. The measures for lowering duties call for the following:

1. Reducing the duty on goods that are now above 20 percent to only 20 percent within five to eight years.
2. Reducing duties of 20 percent or lower to only 0-5 percent within seven years.

Besides this, based on the 1992 Singapore statement, member countries must give preference to 15 types of industrial goods for inclusion in the joint customs tariff system. These goods include vegetable oils, cement, medicines, fertilizers, chemicals, plastics, rubber products, skins, paper pulp, textiles, glassware, gemstones, copper tubing, electronic goods, and furniture and rattan goods. Concerning these 15 items, it must be clearly

defined which goods are included in the tariff reduction system. For example, does the term vegetable oil include palm oil?

However, many academics think that there are several obstacles in the way of this ASEAN free trade zone policy. ASEAN will have to solve these problems. These include: 1. The similar economic structure of the four leading ASEAN countries, that is, Thailand, Malaysia, Indonesia, and the Philippines. Moreover, the revenues of these countries still come mainly from the agricultural sector. Besides this, the ASEAN countries have similar resources. 2. Tariff structures are very different. For the most part, countries rely on revenues from import tariffs. Besides this, the members of the group have to rely more on trade and investments than ASEAN. Finally, the level of economic development differs from country to country. Also, more consideration is given to the interests of each country than to the interests of the group.

Viewed overall, it can be seen that Singapore and Brunei stand to benefit the most, because industrial goods are the main source of revenues of these two countries. Moreover, they have very low tariffs. Thailand, Malaysia, and Indonesia, whose industrial sectors are at about the same level of development, will gain and lose with respect to certain goods only. As for the Philippines, its industrial base is the weakest of any of the countries. Thus, it will be directly affected by the ASEAN free trade zone policy.

Even though ASEAN has reached an agreement in principle on the formation of an industrial goods free trade zone, with respect to agricultural goods, besides the fact that the ASEAN countries face competition from each other, they must also deal with the trade protectionist system being implemented by the West. Beginning in 1992, the problem of trade protectionism will just grow worse and worse.

With respect to Thailand, Mr. At Taolanon, the deputy minister of agriculture and cooperatives, talked with LOK THURAKIT about the situation in the world agricultural system today. He said that this will affect the future of Thai farmers in several ways. He summarized several issues as follows:

First is the instability of the world agricultural trade system. The heart of this is at the GATT talks. Regardless of how the talks turn out, the results will have a direct effect on Thailand.

If the talks turn out well with respect to certain goods such as rice and corn, we may be able to sell our goods at a higher price. But at the same time, Thailand will have to open its markets and lift the import quotas on various goods such as soybeans, soybean meal, palm oil, and so on. Lifting the quotas on these goods will have an immediate effect on domestic prices.

Second is the formation of a single European market in 1992. Normally, the EC provides much support for

agricultural goods—approximately \$53 billion a year. At the same time, the United States and other groups are trying to put pressure on the EC to stop providing support. If an agreement is reached, Thailand may lose its cassava markets. Usually, the EC imports about 17 billion baht worth of cassava. Also, the EC will start buying corn from the United States instead of cassava pellets from Thailand. Our sales of 5-6 million tons of cassava products will dry up immediately. This will have a direct effect on Thai farmers.

Besides this, goods that Thailand has been exporting to EC countries will face protectionist measures or restrictions regarding standards. In particular, foods and other consumable items or items that could pose a danger to consumers will have to meet the same standards, and those standards will be very strict. That is because exporting goods to particular countries will now be viewed as exporting those goods to the group as a whole.

Third is the formation of a free trade zone by the United States, Canada, and Mexico. This will enable the United States and Canada to use Mexico as a new production base. In labor-intensive production sectors, there will be much competition with Thailand, because Mexico, like Thailand, has cheap labor. The goods that will be directly affected include foods. Take chicken, for example. Thailand is now competing against the United States on Japanese markets. In the future, the United States will expand its production base to Mexico, which will enable it to produce low-cost goods that will gain a large share of the world market.

Fourth is the fact that some countries that are agricultural trade competitors of Thailand are also trading partners of ours. There are also the changes that have taken place in Cambodia, Vietnam, Laos, and Burma. Once the political situation in those countries returns to normal, those countries will turn to developing their domestic economy. In particular, they will focus on improving agriculture. The main goods of these four countries are the same as those of Thailand. They will become fearsome competitors in the future.

It is expected that the world agricultural situation will have an impact on Thailand in the next five to 10 years. We may have to stop growing some types of crops such as cassava. In the future, there may not be an export market for such goods.

Thailand must make adjustments to accommodate the changes in market demand. We must focus on production efficiency and further develop the food crop processing industries. In particular, the agricultural sector must be linked to the industrial sector. We must develop the processing of agricultural goods and link production and marketing. This includes having a new marketing strategy with respect to agricultural goods for agreement markets, neutral agricultural goods markets, and forward markets. We must also develop our agricultural goods data and information system. Thailand's agricultural

sector must develop in these ways in preparation for the world "trade protectionist" war.

Uruguay Round, Impact on GATT Discussed

92SE0192A Bangkok SIAM RAT in Thai 23 Feb 92 p 8

[Article by Charoen Phokphan Group's Office of Economic Advisers]

[Excerpt] [passage omitted] For Thailand, regardless of how the Uruguay Round of GATT talks wind up, that is, regardless of the support and agricultural goods export ratios finally agreed on, there will be both positive and negative effects on Thailand from the GATT agreement's efforts to build a freer international trading market.

Positive Effects

1. Quantitative effects: Thailand will be able to export more agricultural products without being restricted by import quotas.

2. Price effects: Thailand will be able to compete more effectively on world markets with respect to the price of agricultural products. It will not have to lower prices in order to compete with the wealthy countries that support the agricultural sectors in their countries, enabling them to export agricultural goods at low prices. And Thailand itself will be able to reduce the amount of money it spends to support the agricultural sector here.

3. Effects on world market share: There are certain types of goods that Thailand has never been able to sell to its trading partners because of the protectionist measures implemented by those countries. After this agreement is signed, Thailand will have a chance to export more goods. Thailand will be able to sell more goods that have lower production costs and that can be exported at a lower price.

Very broadly, the above are some of the positive effects that this will have on Thailand. But if the market is the deciding factor with respect to competition on world markets, just the opposite effect will be encountered.

Negative Effects

1. Effects stemming from comparative disadvantages in production: Thailand does not have an advantage in terms of low production costs for all types of agricultural goods that are exported. Even though that may have been the case in the past, today, our advantage has begun to disappear, because production costs have begun to rise. Labor costs have increased constantly, and there is a shortage of labor. Besides this, technological development in the agricultural sector, development that will help increase yields and reduce production costs, is still at a very low level as compared with the developed countries that belong to GATT. Because of this, Thailand will not be able to sell its agricultural goods at a low price. Furthermore, now that other countries such as the Indochina countries, which were once bogged down in

war, are holding peace talks and turning their attention to restoring their countries by relying on the agricultural sector, they will become fearsome competitors. This is because these countries have many resources, and their labor costs are lower than those in Thailand. Also, the developed countries are starting to use these countries as new production bases.

2. Effects from switching from importing certain types of agricultural goods to other types: Thailand has been exporting large quantities of cassava, corn, and millet to world markets for use in producing animal feed. Now that world markets have become freer, certain agricultural goods are now cheaper as compared with other goods. Corn, for example, is now cheaper than cassava. Some members of GATT can export corn that is of better quality and in greater amounts. And their production costs are lower than those of Thailand. Because of this, buyers will start purchasing corn from these countries instead of purchasing cassava, which is an important export item of Thailand. Until customs duties on rice, which is the country's main export, are lowered, revenues from exports will continue to decline.

3. Effects from opening free markets and allowing foreign goods to be sold on the markets of exporting countries: Thais already have a preference for foreign goods. If the amount of imported goods continues to increase here, our trade deficit will increase even more.

4. Effects from service trade measures and the measures to protect intellectual property: Once the GATT talks reach an agreement on agricultural goods and textiles, the next topic of discussion will be service trade and the protection of intellectual property. If an agreement is

reached on this, Thailand will be put at a great disadvantage, because the service sector earns huge revenues for the country. If we can't erect barriers or protect our service sector, foreigners will have a chance to compete here. The same is true of the measures for protecting intellectual property. Thailand is a developing country. We still have to rely heavily on technology from the developed countries. If the cost of importing foreign technology for use in national development increases, our chances of expanding national development will be very low.

After considering these negative effects, people should be thinking more about how to deal with the effects of the GATT talks. We must prepare more for competing on world markets. The following things must be done:

1. We must increase the number of types of agricultural goods. We must gain the advantage in terms of production costs and produce new types of agricultural goods that are in demand on world markets at a time when other member countries can't produce enough to satisfy world market demand.

2. We must find new markets outside the member countries in order to build a larger revenue base from exports. This must be done so that our farmers can export more goods in place of those exports that must decline.

Besides this, public sector help in establishing an Import-Export Bank (Exim Bank) will give Thai exporters a chance to extend more credit to trading partners. They will be able to receive more help from the government even though export subsidies will be reduced in accord with the terms of the agreement reached at the Uruguay Round of GATT talks.

POLITICAL

Reportage on Draft Constitution Amendments

Issues on Principles, Lasting Stability

922E0118A Hanoi NHAN DAN in Vietnamese
30 Jan 92 pp 1, 4

[Article under the rubric "Discussion on the Draft Amendments to the Constitution" by Hoang Phong: "Issues of Principles and Lasting Stability of the Constitution"]

[Text] Many people have contributed very sound ideas to the Draft Amendments to the 1980 Constitution. I would like to contribute a few minor ideas on two issues of principles of our country's socialist Constitution and on the lasting stability it should have.

1. In view of the recent complicated developments of the world situation, especially the crisis leading to the disintegration of the Soviet Union and the changes in East Europe, which have affected the thinking of many people in our country, causing no few cases of vacillation. In that situation, affirming the socialist reorientation in the basic law of our state is a matter of principle that should not be belittled. Once we have affirmed the socialist orientation, we must, as a matter of course, *strongly affirm the leading role of the party* of the working class: the Communist Party of Vietnam. In any socialist country, once the party of the working class has lost its right to lead the state, the people's power is also liquidated and the revolutionary gains abolished. This has been proven by many examples in reality.

Of course, when our people affirm the party's leadership, considering it as the basic condition and an objective demand for ensuring that our state is really a state of the people, by the people, and for the people and is capable of enriching the people, strengthening the country, and bringing about a life of plenty and happiness for everyone, they also demand that the party renovate its leadership over the state. I would like to suggest that, regarding Article 4 of the Constitution, in addition to its content as described in the third draft, the following paragraph in the second draft be restored: "The party shall lead by means of platforms, strategies, and orientation of major policies and positions; by means of propaganda work, persuasion, motivation, and organization; by means of control; and by means of its members' exemplary actions of its members. The party shall recommend outstanding members who have all the necessary capabilities and qualities for service in various organs of leadership of the administration and mass organizations" (This paragraph could be shortened somewhat and rewritten to be more compact).

Only in this way can the party fulfill its leading role in all fields without doing the work of the state.

2. The party's draws its strength from the aggregate strength of the various strata of broad segments of

people. It is the same with the strength of the state: it must be based on the people. But this people must be organized and closely united into a bloc within the *Vietnam Fatherland Front* [VFF]. Therefore, it is entirely correct that the role of the VFF has once again been affirmed in the draft amendments as the "political base and strong support of the state." This time around, the draft amendments prescribe an additional task for the VFF, namely "supervising the activities of state organs, cadres and employees." This is also a matter of principle.

However, we must also consolidate and strengthen the organization of the VFF and various people's organizations, renovate the substance and methods of activities of these organizations in order to meet the requirements of the new situation and tasks. At present, not a few people's organizations are facing difficulties in their operations. Even the Ho Chi Minh Communist Youth Union, traditionally a very dynamic and active organization, can be said to be currently in a crisis, especially at its grassroots level.

On the other hand, it is necessary to substantiate the role of the VFF as a support of the state, as well as its relations with the state, and first of all, with the National Assembly and its deputies. In the new draft amendments, there is a new article—Article 126—which defines the relations between the VFF and the local administrations, but the VFF's relations with the administration at the central level has not been dealt with. At present, these relations are mentioned on only in Articles 4 and 71 of the Law on Organization of the National Assembly and the Council of State (adopted in 1981).

Another detail that I would like to bring to your attention is the listing of the VFF member organizations. Because these organizations may change their names—as some have, for example, the trade unions, the peasants association...—it might be advisable to recast this paragraph in a more form as follows: "The VFF, the membership of which comprises various political and social organizations, various cultural, scientific, religious, and professional groups of the Vietnamese people, is the political base and a strong support of the state."

3. An issue on which I have heard many suggestions is the *lasting stability of the Constitution*.

In a statement published in the 3 January 1992 issue of NHAN DAN, Council of State Chairman Vo Chi Cong clearly named the reasons why our National Assembly decided to revise the 1980 Constitution instead of drawing up a new one to replace it. However, in keeping with the spirit of renovation set forth by the seventh party congress, we have radically and comprehensively amended that Constitution. Some chapters have been completely rewritten, such as the chapter on the economic system. Some articles have been revised to avoid the trap of voluntarism, which may lead us to preach what we cannot practice, such as the stipulations on the right to work and study, on health care, housing...

The Constitution is the basic law governing state operations and all society's activities. It is also the code of participation of the people's delegates in the enactment of laws and in state management. In the world as well as in our country, throughout many decades, there have been many debates on the question of whether a constitution should have the character of a program. Some people stand for giving the Constitution this character, but others are opposed to it. Some say that the Constitution is geared to the present, while a platform is future-oriented; programs deal with the nonexistent and future developments, whereas constitutions must be concerned with what there was, what there is, and what there must be at present (that was the view of Stalin when he drafted the 1936 Constitution of the Soviet Union). Lenin himself once said that "the constitution will be merely a piece of fiction if the law and reality do not match" (Vol 10, p 424) [note as published, no other details given]

We do not make light of the programmatic character, but nor should we lean too much toward it. The Constitution must rely on and institutionalize the party's line of leadership, which finds its expression mainly in the party's political platform. However, in that case, the Constitution must be changed every time the party's line or platform is modified in accordance with the developments in each revolutionary period.

In our country, 46 years have elapsed since the adoption of the first Constitution. During that period, four constitutions have been drawn up (in 1946, 1959, 1980, and 1992), with this basic law being replaced once every 15 years on the average. This time around, although there is only a revision, this revised Constitution is regarded as a constitution of the initial stage of the period of transition and corresponds with the Platform for National Construction and the Strategy for Socioeconomic Development up to the Year 2000. Does this mean that we will have to draft a new constitution about 10 years from now? Although a new constitution is usually more progressive than the one it replaces, but will the lasting stability of the constitution be reduced in the process? Will the change of this basic law give rise to a wait-and-see psychology and hesitancy? Will those who do not belong to the fundamental classes have to worry about their future within the next 10 or 15 years? As a basic law of a state, the constitution must remain in effect for a relatively long time. Many countries of the world still maintain the constitutions that were promulgated more than 200 years ago. When necessary, they just introduce amendments, but still retain their core intact. For example, the Constitution of the United States, which was promulgated in 1789, still remains in force today, with 26 amendments adopted between 1791 and 1971 (I do not know if there have been any new amendments).

I would like to suggest that our legislators and constitution makers pay attention to this question. Even a simple law must stay in force for a definite period of time before it can be changed, if need be. So must the basic, highest law of a nation.

Human Rights Discussed

922E0118B Hanoi NHAN DAN in Vietnamese
10 Feb p 1

[Article under the rubric "Discussion on the Draft Amendments to the Constitution" by Nguyen Minh Vy, aka Ton That Vy: "The Question of 'Rights of Man' in the SRV"]

[Text] In keeping with the spirit of the address by Chairman Vo Chi Cong, and after a thorough study of the contents of the various documents of the seventh party congress, we have come to fully approve of the policy of revising the Constitution and the contents of its amendments although there are some points in their style and wording that need to be considered more carefully. I would like to continue suggesting concrete revisions to the Committee of Constitutional Amendments for further consideration.

In this writing, I would like to deal with Article 48 (new) only, which says: "In the Socialist Republic of Vietnam, the rights of man are respected and protected by law."

First of all, I fully agree to the inclusion of this Article 48 (new) in the Draft Amended Constitution. If I am not mistaken, this issue also finds its expression in the entire Chapter V (revisions on the rights and obligations of citizens) and in the contents of other chapters as well, including the ones on "the Political System," "the Economic System," "Culture and Education," and so forth.

I would like to request that some explanation be given to further clarify what are the rights we mean by "the rights of man" and whether terms "man," "the people," and "citizens" are identical or different in meaning.

On my part, I would like to express my view that the notion of "respect for the rights of man" should be stated in a new, separate article in the current Draft Amended Constitution.

I think that this is an important issue, one of great significance both at home and abroad. As a matter of fact, recently we heard a great deal of talks around the world about the two words "human rights," but I wonder if they mean the same thing as the phrase "the rights of man" mentioned in Article 48 (new).

I am bringing up the relationship between the two phrases because I have noticed that the term "human rights" have been uttered by those who rely on their strength to bully the weak, take advantage on their numerical superiority to oppress the lonely, make use of mass destruction weapons (such as B-52), and resort to arms that destroy not only human beings but also the environment (toxic chemicals). I also want to mention those who rely on their wealth to oppress the poor, use their economic strength (commodities, money, food...) to force others to abide by their "political concepts," their so-called "freedom" and "democracy."

For this reason, we should make clear what are the "rights of man" mentioned in Article 48 (new). Legal experts in general and international law specialists in particular should apply themselves to studying this issue in order to help everyone in every country and in the world see what is "genuine" and what is "fake" so that those who specialize in misleading public opinion can no longer deceive people and will be condemned.

In the situation of Vietnam, I should think that we have our own perfectly clear definition of the "rights of man" that is based on the following: For nearly 100 years, before the August 1945 revolution, our Vietnam was ruled and persecuted by colonialists and feudalists and Vietnamese had no "rights of man" and knew nothing at all about these rights...because they were not regarded as "human beings" but as animals...that the power-holders could exploit, oppress, trample under foot, throw into jail, kill...as they please.

Only after the success of the August 1945 Revolution did our people turn from slaves into the masters of their own country and Vietnam enter a new era, the era of independence, freedom, happiness, and socialism. Only after that did our people come to know about the "rights of man", the core of which is independence and freedom as stated in the Declaration of Independence read by President Ho Chi Minh at the Ba Dinh Square on 2 September 1945: "Vietnam has the right to be a free and independent country—and in fact it is so already." The declaration also clearly pointed out: "All the people on the earth are equal from birth, all the peoples have a right to live, to be happy and free."

For this reason, I would like to repeat here that, in the case of Vietnam, when one talks about the "rights of man," one should mention the rights to be free and independent. Only independence and freedom can bring about the right to be human beings and the "rights of man," and ensure that "the rights of man are respected and protected by law."

That is freedom, that is democracy indeed!

We are proud of the fact that Article 48 (new) has been written with the blood shed by untold numbers of our combatants and compatriots of many successive generations in nearly 100 years of struggle and war.

Those who are motivated by cruel schemes should not hope to lay their hands on these "rights of man", nor can they hope to distort their meaning by means of any insidious arguments, especially their anticommunist slanderous allegations, which may find some receptive ears somewhere, but absolutely not among the Vietnamese people. The cause of socialist construction in our country is being renovated in accordance with the policy of the seventh party congress and is recording notable, palpable, and visible achievements in all fields although it has to overcome innumerable trials and difficulties.

Some claim that we preach renovation, but no sooner had we opened our door than it was slammed shut, as in

the case concerning the questions of freedom and democracy. These people should understand that we still keep the door open to anyone who exercises his legitimate democratic freedoms to build and protect socialism. But it is also true that we have "shut" it, but only to anyone who nurtures the evil intention of taking advantage of our "openness" to undermine the independence and freedom of the fatherland and the gains of socialism.

Such is the logic of life. In other countries, their so-called "freedom" does not mean freedom at all. The latest example of their "freedom of information" is the fact that the administration of a certain country has severely punished a television company for recording and broadcasting pictures of a guest of international stature who collapsed during a grand banquet.

Therefore, as a conclusion, I would like to advise our fellow Vietnamese abroad not to believe the slanderous allegations made by bad people against us. The motherland has opened its door, ready to welcome you back to see for yourselves that the homeland is casting off its old skin, and to rejoice at the fact that the country is renewing itself with each passing day, and that "the rights of man are respected and protected by law," as stipulated in Article 48 (new) of the Draft Amended Constitution.

International Law Discussed

922E0118C Hanoi NHAN DAN in Vietnamese
11 Feb p 1

[Article under the rubric "Discussion on the Draft Amendments to the Constitution" by Dinh Ngoc Vuong: "International Law and the Draft Amendments to the 1980 Constitution"]

[Text] A number of provisions of the Draft Amendments to the 1980 Constitution are, to various extent, directly or indirectly, and more or less, related to international law. These are Articles 1, 13, 14, 17, 24, 25, 48, 80, 81, 83 (Point 13), 100, (Point 10) (103 (Points 7 and 8), and so forth.... After studying the articles and clauses of the draft relating to international law, we have come to approve of the stipulations in the draft in the main. The contents of these articles and clauses reflect respect for international law, the peace-loving foreign policy of our party and state, and their desire to be friends with all countries in the world community and to strive for peace, independence, and development.

We would also like to contribute our opinions to some of the articles and clauses pertaining to international law in the draft.

Article 1 (revised) of the draft states: "The Socialist Republic of Vietnam is an independent, sovereign, and unified country with territorial integrity, which is composed of the mainland, offshore islands, airspace, and sea areas." The last portion of this article is related to the notion of national territory in international law.

According to modern international law, national territory is part of the earth and composed of the land mass, the bodies of water and the airspace above them and the subterranean land mass under them, all of which fall under national sovereignty. Since Vietnam is a littoral state, our territory naturally comprises the land area (mainland and offshore islands), the bodies of water (inland waters such as rivers and lakes, and sea waters such as internal waters, territorial waters....) At the same time, it also includes the airspace above the these land and waters and the subterranean areas under them. Also according to international law, the sea portion of a littoral state is not a single area but divided into different zones (internal waters, territorial waters, the contiguous zone, the exclusive economic zone....) that differ in their legal status. International law is consistent in its definition of the notion of unification and integrity of national territory. For this reason, in our opinion, Article 1 of the draft amendments only needs to stipulate that *"The Socialist Republic of Vietnam is an independent, sovereign, and unified country with territorial integrity."* It is not necessary to go any further than that, as the draft did, because the brief description (mainland, offshore islands, airspace, and sea areas) it contains is insufficient and inaccurate. On the other hand, a fuller and more accurate listing would be too long and unnecessary.

Article 14 gives expression to the foreign policy of our state. This article, which represents a radical change from the 1980 Constitution, conforms to the new situation and our broadly opened foreign policy. However, in our opinion, the phrase *"all countries in the world, regardless of their different political and social systems"* already includes all the capitalist and socialist countries. If emphasis is needed, it should be laid on *"the neighboring countries, and Southeast Asian countries, regardless of their different political and social systems, on the basis of respect for each other's independence, sovereignty, and territorial integrity, and of equality and mutual benefit; and actively supports and contributes to the world people's common struggle for peace, national independence, democracy, and social progress."*

Article 14, as we see it, is closely linked to the stipulation in Article 81 of the draft. For this reason, the stipulations in these two articles should be consistent with each other. Those foreigners who share our sense of purpose and goals of struggle and who suffer from persecution should be granted the right to asylum by our state.

Article 80 of the draft touches upon the notion of residence and citizenship in international law. In our opinion, the notion of "foreigners" and "stateless person" mentioned in Article 80 can be considered adequate and clear. However, in international law there is also the notion of "dual national person" and "multi-national person." Therefore, the object affected by the legal readjustment in Article 80 could be understood to be *persons who do not hold Vietnamese nationality but take up legal residence in Vietnam.* In our opinion, Article 80 in the draft should be rewritten as follows: *"Persons who do not hold Vietnamese nationality but*

take up legal residence in Vietnam shall abide by the Constitution and laws of Vietnam and shall have their lives, property, and legitimate interests protected by the state in accordance with Vietnamese law."

The 13th duty and power the National Assembly as stipulated in Article 83 and the 11th duty and power of the Council of State as determined in Article 100 of the draft are connected with the ratification, participation in, and abrogation of international treaties. In our opinion, on this issue we should pay attention to a number of details. With regard to terminology, its use should be consistent; *"abrogating international treaties"* and *"annulling international treaties"* are one and the same notion, not two different ones. In the description of the National Assembly's 13th duty and power (Article 83), the term *"abrogate"* is used—*"abrogate the signing of or participation in international treaties"*—but in Article 100, the 11th duty and power of the Council of States are referred to as *"annul the signing of or participation in international treaties, except where it is deemed necessary to refer the matter to the National Assembly for ratification or annulment."* In our opinion, a single term should be used consistently in both Article 83 and Article 100: *"abrogate the signing of or participation in international treaties."*

The ratification and abrogation of the signing of or participation in international treaties have important legal connotations. In international law, the Principle of Pacta Sunt Servanda is the fundamental principle that has been universally recognized. This principle means: International commitments must be scrupulously and voluntarily honored. For international commitments (specifically international treaties) to be scrupulously honored, the contents of the treaties we sign must not be at variance with the laws of our state. The laws here must be understood to be, first of all, the Constitution, laws, and sublaw documents. Only the National Assembly is empowered to *"draw up and amend the Constitution, make and amend laws"* (Article 83, Point 1). Therefore, it should be clearly determined that the ratification and abrogation of or participation in those international treaties containing provisions that are at variance with the Constitution and laws of our state fall solely under the authority of the National Assembly. Naturally, the Council of State has the power to ratify and abrogate the signing of or participation in those international treaties containing stipulations that run counter to the sublaw documents of our state.

Thus, in the Constitution, it is necessary to clearly determine when the ratification and abrogation of the signing of or participation in international treaties come within the jurisdiction of the National Assembly and when they fall within the power of the Council of State. It should not be stipulated that this power automatically goes to the Council of State, *"except when it is deemed necessary to refer the matter to the National Assembly,"* as stated in Article 100.

Nationalities Issues Discussed

922E0118D Hanoi NHAN DAN in Vietnamese
13 Feb p 1

[Article under the rubric "Discussion on the Draft Amendments to the Constitution" by Luc Van Pao, of the Institute of Ethnology: "The Nationalities Issue in the Constitution"]

[Text] This time around we are embarking on the process of amending the Constitution against the backdrop of major upheavals in the socialist world. Therefore, it is necessary to reconsider the nationalities question with bold and renovated thinking. Basing ourselves on the principles of Marxism-Leninism, we oppose all manifestations of national oppression and recognize the right to equality and equal rights among all nationalities. It is necessary to set forth regulations right in this basic law to suit reality in our country and of our time.

Proceeding from this understanding, we would like to make some concrete suggestions as follows:

Article 5 in the Draft Amended Constitution conforms, in the main, to the 1980 Constitution. If we ponder on the practice of revolution in our country over the past few decades really carefully, we will see that suspicions and problems among different nationalities have not yet been completely eliminated. On the contrary, in some places, complicated relations between nationalities have at times developed. Therefore, the best thing for us to do is to introduce into the Constitution the notion of "strengthening unity among nationalities, opposing all manifestations of contempt and oppression of nationalities." This is not a subjective statement. As a matter of fact, there is the problem of big-nation concept of ethnic Vietnamese, a concept that exists even among various groups of the ethnic minorities with a relatively large population.

Also in Article 5, to the paragraph "...their fine cultures," this sentence should be added: "Depending on the requirements and on its own capability, the states shall really assist the minority nationalities in *building a new and progressive culture*." This question is raised for the following reasons: First, theoretically, the nationalities issue will continue to exist until the state wither away. Second, as a matter of fact, in the North over the past decades and throughout the country over the past 10 years and more, we have only attached importance to exploiting the cultures of the ethnic minorities. As for the building of these cultures, how to go about doing it is a question that has in fact never been discussed. If this idea brought up in the Constitution, it would help shape a number of cultures that would merge into the multi-colored Vietnamese culture, and this will be a reality, not just a farfetched aspiration. Third, all humanists have acknowledged that "to annihilate a nation, first one must annihilate its culture." For this reason, building up the cultures of the various ethnic groups will help the minority nationalities shape socialist population centers.

Of course, nobody would understand the word "annihilation" here as a reference to the physical destruction of people as committed by certain forms of genocide in the past; it only means an assimilation process in which the various nationalities would lose their characteristics.

Regarding the common issues, we think it might be a good idea if the Constitution set forth regulations on representatives of the ethnic minorities joining various elective organs. By representatives we mean persons who really represent the 54 nationalities. For example, we can determine that each ethnic minority group shall select a National Assembly deputy (those nationalities that have too small a population shall elect only a deputy to the provincial people's councils). Only in this way will these deputies be able to correctly reflect the needs and aspirations of their own nationalities. Our ways of doing things in the past and at present still show a significant deficiency, that is, all the deputies elected are "active" and "progressive" elements of the various ethnic minorities. After their elections, some of them do not even dare to talk about the real aspirations of their own nationalities. In reality, they only act in accordance with the wishes of the official who presides over a session. We can appoint real representatives of various ethnic minority groups to help take care of minorities' affairs, this will certainly contribute to strengthening the solidarity among nationalities and heightening their confidence in our party's totally democratic policy.

In regard to revised Article 91, there are two points that remain debatable: The first is the question of functions, powers, and duties of the Nationalities Council, and the second, the use of the term "mountainous region." Here, I would like only to contribute some ideas about this term, which has been used inaccurately. "Mountainous region" is a natural geographical zone as opposed to the "plains"; for this reason, it does not have a social connotation and, naturally, is not synonymous with the minority nationalities. Here and there, there also are people who do not like the term minorities because they think it is pejorative. In fact, it is an accurate term. In daily life as well as in theory, a correct use of terminology, which people in ancient times called "accurate appellation," is a very important matter. If we use correct terms to refer to things in our writings and talks, no one, including sophists, will be able to distort their meanings. If the appellation is accurate, the language will be correct; if the appellation is inaccurate, the language will be incorrect—this ancient teaching also had the same meaning. Therefore, I would like to suggest that in all official party and state documents, the term "minority nationalities" should be used, and that the term "mountainous region" should not be used as a substitute for it. This is because everyone knows that hundreds of thousands of Vietnamese of Cambodian descent and many other nationalities in the Nam Bo delta are minority nationalities of our country, but where they live is not a mountainous region.

Further Reportage on Draft Constitution Amendments

Economic Renovation, Ownership Changes

922E0119A Hanoi NHAN DAN in Vietnamese
14 Feb 92 pp 1, 4

["Discussion on the Draft Amendments to the Constitution" article by Ha Thi Mai Hien: "Economic Renovation and the Demands for Changes in the Regulations on Ownership"]

[Text] The state's viewpoints on readjusting the relations of ownership and on the existence of various forms of ownership as well as the direction of their development constitute a clear indication of its character and tasks in each specific period of time. That is why the institution of ownership is distinctly defined in the draft amendments to the Constitution. These ownership regulations are aimed at institutionalizing the party's renovation line and its policy of developing the multisector economy in accordance with the market economy, under the state management, and along the line of socialist orientation.

Coming into being at a time when the state-subsidy system was still prevalent, the 1980 Constitution determined that the two principal forms of ownership in our country were all-people ownership and collective ownership and that the economy comprised two economic sectors based on these two forms of ownership. Reality, however, has shown that general forms of ownership cannot be prescribed without the corresponding existence of concrete owners in society. The switch of the economy to the market mechanism calls for the development of concrete economic activities among concrete people, people who are fully empowered to decide the fate of their own property and who enjoy all the power that goes with ownership.

The question of ownership during the period of transition was once considered settled in the belief that the more centralized a form of ownership and the more uniform the system of public ownership was, the more socialistic they would be. In fact, that is not so. The appearance, existence, and development of ownership are governed by its own laws. A form of ownership will come into being and persist as long as life would need it. If a form of ownership has not yet exhausted its usefulness and accomplished its mission—in order to surpass itself—its existence is still required. The state's duty is to create proper conditions for that form of ownership to develop. Constitutional regulations on the forms of ownership must be aimed at ensuring that that form of ownership will develop in the right direction and serve the purposes of society. Diversifying the forms of ownership is an essential requirement of commodity production. This also was one of the points calling for readjustment in the Constitution. That is why I strongly approve of the fact that the draft amended Constitution has

clearly defined the forms of all-people ownership, collective ownership, and individual ownership.

The contents of the constitutional regulations on each specific form of ownership have also been changed.

If Article 19 in the 1980 Constitution was just a listing of which specific assets of the state that fell under the category of all-people ownership, Article 17 in the current draft contains more encompassing, more comprehensive regulations on all-people ownership designed to secure state control over key economic areas, maintain economic homogeneity and stability, and ensure that the national economy will develop in the right direction.

The regulations on the state's ownership of land in Article 18 is a new step that clarifies and improves on the traditional concept of ownership. The 1980 Constitution only allowed collectives or individuals who were using land to continue using it and enjoy the fruit of their labor. The draft amended Constitution stipulates: The state allots land to the various organizations and individuals for use on a long-term basis; land users may name inheritors to their right to use the allotted land and may transfer this right to others, as specified under the law. A number of people have worried that this regulation may affect the all-people ownership of land. Their concern has no firm basis because when it laid down the said regulation in the Constitution, the state was merely exercising its power as an owner of land giving the right to use it to people. We should not mistake the right to use land for the right to own land (including the right to take possession of land, the right to use it, and the right to dispose of it), which belongs to the entire people, because land is placed under the exclusive management of the state. Users only have the right to the state guarantee that they will be allowed to use land on a long-term basis, that land will not be arbitrarily taken from them after they have expended much effort and energy on it. Giving peasants the right to long-term use of land is an important factor in stimulating agricultural production. Land will not be used rationally and economically and improved if its users have no peace of mind.

The determination of the essence of citizens' right to ownership has also undergone significant changes. According to the 1980 Constitution, the state protected citizens' right to own their legal income, their savings, their homes, their means of living, and their tools of production used when they are allowed to work individually. The draft amended Constitution has broadened the scope of this right along with the right to freely engage in business, which is a new right, citizens have the right to own their legal income, savings, houses, means of living and production, capital, and other assets in business or in other economic organizations.

All these regulations in the draft amended Constitution are really a reform of the ownership concept aimed at ensuring that the state will be able to keep the economy developing in the right direction, that citizens will be

able to exercise their right to engage in economic activities, to freely go about their business, to enrich themselves and society, and to create a society of healthy citizens. I think that this fundamental readjustment of the Constitution is for the purpose of taking us back to a correct concept of genuine Marxism-Leninism, namely that of overcoming the separation of man from the means of production, from his property, and from the real conditions of his existence.

The release of the draft amended Constitution for comment by all the people is an opportunity for a reexamination of constitutional matters, especially the regulations on ownership. To allow the various forms of ownership to play their role to the full, the Constitution should clearly define the subject of the all-people ownership and collective ownership and the extent to which the power of this ownership may be exercised. To prevent a return to the past system of common ownership, it is necessary to create an equitable legal basis on which the various forms of ownership may develop.

Land, Frontier Discussed

922E0119B Hanoi NHAN DAN in Vietnamese
18 Feb 92 p 1

["Discussion on the Draft Amendments to the Constitution" article by Senior Colonel Tran Doan Tham, of the Border Guard Force Command: "The Question of Border and Territory in Amending the Constitution"]

[Text] I would like to contribute the following ideas on the border and territory question in the draft amendments to the Constitution:

1. Article 1 of the draft amendments stipulates: "The Socialist Republic of Vietnam is an independent, sovereign, and unified country with territorial integrity which is composed of the mainland, offshore islands, airspace, and sea areas."

If our government's 12 May 1977 statement on Vietnam's territorial waters, contiguous zone, exclusive economic zone, and continental shelf is used as a basis, then our country's sovereignty over and other rights in different sea areas do vary: There are areas over which our country has full and complete sovereignty, but there are others over which our country only exercise some of the rights conveyed by sovereignty. Following are some regulations contained in that statement:

a. In regard to territorial waters, "the Socialist Republic of Vietnam exercises full and complete sovereignty over its territorial waters as well as over the airspace above these waters, and the seabed of and subterranean land mass beneath these territorial waters."

b. Concerning the exclusive economic zone, "the Socialist Republic of Vietnam has complete sovereignty over the prospecting for and exploitation protection, and

management of all natural resources, animate and inanimate creatures in the water, on the seabed, and in the subterranean land mass of its exclusive economic zone. It holds the exclusive right to and authority in the installation and use of equipment and artificial islands, and has the exclusive authority over scientific research in the exclusive economic zone of Vietnam. The Socialist Republic of Vietnam has authority over environmental protection and antipollution activities in the exclusive economic zone of Vietnam."

c. Concerning the continental shelf of Vietnam, "the Socialist Republic of Vietnam has complete sovereignty in prospecting for and exploitation, protection, and management of all natural resources in the continental shelf of Vietnam. These resources consist of minerals, inanimate creatures, and animate creatures living in the continental shelf of Vietnam."

These regulations, set forth in the 12 May 1977 statement of our government, are consistent with the 1988 UN Convention on the Law of the Sea, to which our country is a signatory. Thus, our sea areas are under different legal systems. There are areas over which our country exercises full and complete sovereignty and which are part and parcel of our territory, such as our territorial waters. However, there are also other areas, such as the exclusive economic zone and continental shelf, over which our country, like other littoral countries, only have certain rights attributed to sovereignty. For this reason, the regulations in Article 1 of the draft amendments, which consider all such areas as territorial waters, are inaccurate. Moreover, in the Constitution, which is the country's basic law, it is not absolutely necessary to determine all the components of our national territory. Therefore, I would like to suggest retaining Article 1, with the phrase "which is composed of the mainland, offshore islands, airspace, and territorial waters" deleted.

2. Regarding Article 14 of the draft amendments, I would like to suggest adding the idea of respecting the inviolability of national boundaries before the phrase "and each other's territorial integrity."

Some views hold that when we mention respect for territorial integrity, it automatically includes respect for national boundaries.

National boundaries, however, have their own characteristics, and border legal systems have their own peculiarities. Violation of boundaries naturally implies violation of national sovereignty, but it does not necessarily imply an invasion of territory. Activities on national borders, aside from their national security and defense implications, also bear directly on foreign policies and national sovereignty. In relations with other countries, especially neighboring countries, respect for the inviolability of national boundaries is a constant short- and long-term demand aimed at preserving national as well as regional security. The stability and invulnerability of

boundaries have been acknowledged by modern international law as a principle in the 24 October 1970 UN General Assembly as well as in the 1969 Vienna Convention the Law on Treaty (Point 2, Article 62). The Constitutions of some countries also recognize nonviolation of borders as a principle in foreign relations. The previous Constitution of the Soviet Union, in defining the principle governing the development of Soviet external relations with other countries, also considered "nonviolation of borders" as a principle equal in importance to other principles such as equality in sovereignty, territorial integrity....

For the above-cited reasons, I would like to suggest that the phrase "the inviolability of boundaries" be added to the end of the phrase "on the basis of respect for the independence, sovereignty...." in Article 14 of the amendments to the Constitution.

3. The Constitution should specify determination of the national boundaries of the SRV as a duty and power of the country's highest legislative and executive organs.

However, the third draft amendments to the Constitution did not determine which organ is empowered to define our country's national borders.

In reality, all the laws and international conventions that our countries have signed or participated in, as well as the border agreements concluded between our country and its neighbors, have been ratified by the Council of State. For example:

The Treaty on the Delineation of National Boundaries between the SRV and the Lao People's Democratic Republic [LPDR], signed on 18 July 1977, and the Agreement on the Statutes of National Boundaries Between the SRV and the LPDR, signed on 1 March 1990, were all ratified by the Council of State.

The 12 May 1977 statement by the SRV Government on the territorial waters, contiguous zone, exclusive economic zone, and continental shelf of Vietnam was also made public after its was approved by the Standing Committee of the SRV National Assembly.

Thus, in our country, in actual law implementation, determination of boundaries fall under the authority of the National Assembly and Council of State, which is the highest standing organ of the National Assembly and the collective presidency of the SRV.

In the draft amendments to the Constitution, Article 83, which deals with the duties and powers of the National Assembly, Point 8 set forth the duties of merging or dividing provinces or municipalities directly subordinate to the central government, establishing new ones, and readjusting their boundaries. However, it does not lay down the duty of determining the national boundaries of the SRV.

From the other countries' experience we can see that the (previous) Constitution of the Soviet Union stipulated that the power to determine the USSR boundaries

belonged to the highest Soviet organs of state authority and management. This power ranked second in the order of the powers of the USSR (Article 73 of the previous Soviet Constitution).

On the basis of the practice of law enforcement in our country, I would like to suggest that the duty and authority of our National Assembly and government in determining national boundaries be laid down in the Constitution.

Power in Organizing State Apparatus

922E0119C Hanoi NHAN DAN in Vietnamese
19 Feb 92 pp 1,4

["Discussion on the Draft Amendments to the Constitution" article by Nguyen Huu Duc: "Uniformly Carry Out the Concentration of Power in Organizing the State Apparatus"]

[Text] Under our regime, "the state of the Socialist Republic of Vietnam is of the people, by the people, and for the people, all state power belongs to the people and is based on the alliance of the working class, the peasantry, and the intellectuals" (Article 3). This shows that we are building a new-style state in the course of development of social history. The most outstanding feature of this state is that the people are the holder of political power and all state power belongs to them. For this reason, the revised Chapters VI, VIII, VII, IX, and X on the National Assembly, the Council of State and its chairman, the government, the People's Councils and Administrative Committees, the People's Courts and People's Organs of Control, should raise the question of organizing a unified apparatus to ensure the concentration of state power and efficiency. We would like to contribute some concrete ideas to the amended Constitution as follows:

In Chapter VI, Article 82 states that "the National Assembly is the highest representative body of the people, the highest organ of state authority of the Socialist Republic of Vietnam...." In our opinion, the term "highest" used here is not accurate because the power of the SRV state is unified and indivisible. However, there is a division of labor and responsibilities among the National Assembly, the government, and the people's courts (the legislative, executive, and judiciary organs), which are all organs of state authority. Therefore, there can be no rank differences in state authority; when these organs exercise their state authority, there can be only differences in their powers and functions. Our state is one, and in our state the people's political power and the state power are unified, and all powers, including the highest one, must belong to the people. In reality, the people's views must be sought on important issues before the National Assembly can make decision on them.

For this reason, Article 82 should be revised to read "The National Assembly is the highest representative body of the people, the sole organ of state authority

vested with constituent and legislative powers of the Socialist Republic of Vietnam. The National Assembly determines the fundamental domestic and foreign policies, the country's tasks of socioeconomic development, and the main principles governing the organization of the state apparatus, social relations, and citizens' activities. The National Assembly exercises the right of supreme supervision over all activities of the state." Thus revised, Article 82 will still indicate, in principle, that state authority remains completely concentrated in the National Assembly.

Chapter VII contains revisions on the Council of State and its chairman. However, state regulation on the functions, duties, and power of the Council of State and its chairman and vice chairmen remain unclear. Revised Article 99 states: The chairman of the Council of State is the head of state and head of the standing organ of the National Assembly, while the National Assembly chairman serves as the first vice chairman of this standing organ. On the other hand, according to the revised Constitution, in the executive system, the Council of Ministers is replaced by the system of individual responsibility—combined with collective discussion—in which the prime minister assumes ultimate responsibility. However, in the Council of State, the system of collective responsibility is applied; therefore, the personal role and responsibilities of the Council of State chairman are not commensurate with his position. In reality, our country once did have a Standing Committee of the National Assembly and the position of president of the country (under the 1959 Constitution), which must be the most suitable system for our country.

In Chapter VIII, which deals with the government, revised Article 106 states: "The government is an executive organ of the National Assembly and the highest administrative organ of the Socialist Republic of Vietnam...." This statement is also inaccurate, because the government is an organ of state authority in the executive domain charged with implementing the Constitution, laws, National Assembly resolutions, and presidential decrees. Thus, the government is not an executive organ of the National Assembly. In my opinion, Article 106 should be revised as follows: "The government is the highest administrative organ of the Socialist Republic of Vietnam...."

Chapter IX contains revisions concerning the people's councils and administrative committees. Many positive changes are found in this chapter, as reflected in revised Article 116. The people's councils are representative organs of the people in localities and represent their will, aspirations, and mastery. They are elected by the local people and accountable to the local people and higher-level state organs. This description differs from the previous one which stipulated that people's councils were local organs of authority, a system that had resulted in the situation of some localities operating as "a mini state." This, in reality, also made coordination between the central and local levels hard to achieve, although the

organization of the state apparatus was aimed at concentrating power in the central level. Chapter IX also leaves open the question of relations between the National Assembly and people's councils. According to the revised Constitution, these two institutions are no longer related in a vertically organized structure as they were in the past. But even so, there must be a certain kind of relationship between them. This chapter also contains many suggestions regarding the district and subward levels. The district level should be organized in accordance with the 1946 Constitution stipulations because the system is compatible with the duties of this level (there is no People's Council at the district level). Concerning the subward level, because of the nature and characteristics of the city, which constitutes an indivisible whole, the delineation of administrative management boundaries at the subward level is only relative; the management and the authority to make decisions in all fields still rest with the municipalities and cities. Therefore, people's councils should not be set up at the subward level, but there must be an administrative management organ for it. Subward cadres, such as subward chiefs and other positions, should be appointed by the upper levels.

Article 118 should be revised to dovetail with Article 115. Article 115 determines the "establishment of people's councils and administrative committees as defined by law" while Article 118 contains more specific stipulations on the organization of people's councils in accordance with the old law.

Chapter X deals with the People's Courts and People's Organs of Controls. These are the organs of state judiciary authority empowered to determine the functions, duties, and power of the people's courts and people's organs of control at various levels. It is inappropriate to prescribe the duties and powers of these two organs together; they should be dealt with separately.

In regard to the people's courts, there should be unity of views on the organization of their apparatus to ensure compliance with the principle defined in Article 131, namely, in adjudicating, the courts are only subject to law. The point to be made here is that the people's courts should be organized in accordance with their adjudicatory power because relations among the courts are procedural relations. Thus, it is not absolutely necessary for the courts to be set up in accordance with administrative divisions as stipulated in revised Article 128. This will ensure that when administering justice, the courts will not be dependent on either the local administrations or the higher-level courts, and that they are subject only to law. It is high time for us to set up economic courts, administrative courts, and labor and insurance courts, which the new economic management mechanism is demanding urgently.

Assembly Discusses Constitutional Amendments

922E0127B Ho Chi Minh City TUOI TRE
in Vietnamese 24 Mar 92 pp 1, 2

[Article by Minh Duc—N.A.]

[Text] The Eighth National Assembly opens its last session at the Ba Dinh Conference Hall this morning, 24 March. The National Assembly will devote most of its time to discussing and adopting the (revised) Constitution. Afterward, it will continue discussion about the (revised) Draft Law on Organization of the National Assembly and the (revised) Draft Law on Election of National Assembly Deputies. In addition to adopting the Constitution, the National Assembly will also consider and revise the laws on organization of the state apparatus—the (revised) Law on Organization of People's Courts and the (revised) Law on Organization of People's Organs of Control—to suit them to the Constitution. The National Assembly will make suggestions so that these laws will continue to be readjusted and will be submitted to the Ninth National Assembly for adoption. Moreover, the National Assembly will hear Finance Minister Hoang Quy report, on behalf of the Council of Ministers, on the draft state budget for 1992; Nguyen Hoa, acting chairman of the National Assembly Economics, Planning, and Budget Committee, read the committee's account on the 1992 state budget; a representative of the Council of Ministers report on the plan for improving the wages system in 1992; and another representative of the Council of Ministers report on the results of the inspection of setting official prices of housing units in Ho Chi Minh City.

Concerning the revision of the 1980 Constitution, the Committee for Constitutional Amendments has received reports summarizing the suggestions made by various provinces and cities. According to still incomplete statistics, more than nine million people participated in discussions and made suggestions in many forms. Generally speaking, all approved of the basic viewpoints guiding the revision of the Constitution. The suggestions centered on the following issues: *Regarding the political system*, there was unity of views on the character of our state being a state of the people, by the people, and for the people, based on the alliance of the working class, the peasantry, and the intellectuals.

The party's leading role as stated in Article 4 was acknowledged. Concerning the removal of National Assembly and People's Council deputies unworthy of the people's confidence, the old Article 7 only determined one form of removal, namely removal by voters. An additional form of removal has been adopted to empower the National Assembly and People's Councils to dismiss their own deputies. In regard to the economic system, the question of the rights of persons to whom the state has allotted land for use on a long-term basis drew the largest number of suggestions from the people. Both the 1980 Constitution and the draft amendments affirm that land is under the ownership of the entire people and

exclusively managed by the state. The remaining issue is "the right to pass on the right to use land as an inheritance, and the right to transfer the right to use allotted land." Many views disapproved of the stipulation on "the right to pass on the right to use land as an inheritance;" therefore, this stipulation was struck in the fourth draft amendments.

Regarding the National Assembly, some views suggested that the number of deputies be cut, but their quality be enhanced, and that a definite percentage of deputies be put exclusively in charge of specific duties. In the fourth draft amendments that were released for public comments, the Committee for Constitutional Amendments presented four formulas envisaging a standing committee for the National Assembly and a head of state, but anticipated the choice of the formula providing for a Council of State and a chairman of the Council of State. However, the suggestions made by the people showed that the majority of them approve of the formula providing for a president of the country and a standing committee for the National Assembly. Taking this view into account, the Committee for Constitutional Amendments is submitting the formula of president of the country and National Assembly Standing Committee as the main choice. The rationality of this formula lies in the fact that it permits a clear determination of the head of state's duties and powers and basically eliminates the imprecisions and the somewhat redundant character of the formula of Council of State and chairman of the Council of State. However, according to this formula, the president of the country will not directly participate in discussion of and decision on important issues in the National Assembly Standing Committee. This gave rise to the opinion that the position of the president is more symbolic than substantial (new Article 102). For this reason, the Committee for Constitutional Amendments amended the new Article 103 and added the stipulation that the president of the country has the right to attend the sessions of the National Assembly Standing Committee.

Concerning the government, the majority of views proposed that it be headed by a prime minister, who must be given the right to make decisions in order to closely combine the powers of the collective government and those of the prime minister. The powers of the prime minister must include the power to propose to the National Assembly the setting up or dissolution of ministries and agencies of ministerial level; to submit the appointment of government members and the appointment, release from duty, transfer, and dismissal of the chairmen, vice chairmen, and members of the People's Committee of provinces and municipalities directly subordinate to the central government to the National Assembly for ratification; and to implement the system of making reports, through the mass media, to the people on important issues the government must resolve.

Concerning the People's Councils and People's Committees, many views held that there still are irrationalities in the administrative organizations at various levels. For

example, how should the position of the subward level be determined? At which level should People's Councils be set up? Generally speaking, it is expected that from now until the end of the current term of the People's Councils (1994), the present local administrative organizations will continue to be maintained as they are, but some points should be changed immediately. For example: The Standing Committee of the People's Councils at the provincial and district levels should be composed of a chairman and two vice chairmen; the position of People's Council secretary should be abolished; and the village level People's Council should elect a chairman only (Article 120).

The foregoing are the main contents of the report on the Fourth Draft Amendments to the 1980 Constitution to be presented by Vo Chi Cong, chairman of the Council of State and the Committee for Constitutional Amendments, at the opening meeting of the last (11th) session of the Eighth National Assembly. In addition to their group discussions, National Assembly deputies will hold discussions about the amendments to the 1980 Constitution at eight plenary meetings in the conference hall.

Regarding setting official prices of Level 1 and Level 2 housing units and villas in Ho Chi Minh City, the Council of State has heard two Council of Ministers reports. During this session, the Council of Ministers will present to the National Assembly for consideration the conclusions it has drawn and the measures it has taken to deal with this affair after the Council of State has expressed its views.

The redelineation of the administrative boundaries of some provinces has attracted the attention of National Assembly deputies and people in many localities, who proposed that the National Assembly resolve this matter during this session. The Council of Ministers has noted that redrawing the administrative borders of a number of provinces in the past has yielded some results, but no little difficulty has been encountered in this work. For this reason, the Council of Ministers has proposed that this matter not be brought up again. The Council of Ministers will make a general review of the past redelineation of provincial boundaries, point out strong points and weaknesses, and draw lessons of experience from the issuance of decisions and the guidance of their implementation.

Fourth Article in Constitution Amendments Viewed

922E0120A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 20 Feb 92 pp 1, 2

[Article by Lawyer Phan Ta: "On Article 4 of the Draft Amendments to the 1980 Constitution"]

[Text] The enemies of socialism were infuriated when Article 4 of the draft constitutional amendments continued to affirm the party's leading role over all society and even over the political system. They trumpeted many fallacious arguments insisting that we should let

the normal course of development of history decide whether our country and nation should advance to socialism or capitalism and that there was no need to affirm the Communist Party's leading role in a separate article in the Constitution. They used and are still using many cunning methods and tricks in their attempts to have Article 4 deleted from the Constitution, or, at least, to lower our party's leading role by means of a manipulation of terms.

But they have been mistaken. The Vietnamese people have voluntarily followed the party and have fought under its glorious banner throughout the past few decades. Having witnessed untold political upheavals in the international communist and workers movements, they have learned an extremely valuable lesson about the importance of consolidating and strengthening party leadership. And the lesson is: Wherever and whenever the party's leading ability and fighting strength are heightened, the revolution wins one victory after another. On the contrary, wherever the party's leading ability and fighting strength decline, the revolution runs into difficulty after difficulty, and even suffers heavy defeats. This is an objective law, and anyone who violates it will surely have to pay for it and will be punished. The collapse of the East European socialist countries and the recent disintegration of the USSR were certainly neither a result of their absolutizing the leading role of the Communist Party nor an outcome of their exaggerating the party's fighting strength or maintaining a single leading party.... The root cause of their misfortune was that they had run counter to the law of Marxist party building, lessened the party's leading role, and weakened its fighting strength. Worse still, they had abolished by themselves the party's leading role that had been prominently affirmed in their Constitutions throughout the past few decades.

The Vietnamese people also know all too well that in the conditions of the party leading the administration, the party's leading role is particularly important because the party has thus become the political vanguard and the leadership nucleus of all society. This means that it represents not only the interests of the working class but also those of the laboring people and the entire nation. This constitutes a fundamental shift in the role and position of the Communist Party. This change clearly indicates that the party's responsibilities have in no way shrunk but have in fact become even more weighty and lofty. Therefore, when several articles in the draft constitutional amendments touched on the question of renovating the political system, they also had to proceed from the notion that the party's stability and strength are closely linked to the stability and strength of the entire political system itself. If we make light of or diminish the party's leading role, the renovation of the political system would become meaningless.

However, in the process of asserting the party's leadership over all society and even over the political system, it is necessary to oppose a deviant tendency that has become prevalent during the past few decades, namely

the tendency of the party to do the work of the administration and to decide everything, thus seriously violating the principle of socialist democracy, turning the party into an organ of centralized authority that holds sway over all society. At the same time, we should also oppose another deviant tendency that came into being recently, namely the desire to lessen the party's leading role and to have several centers of political leadership whenever one talks about renovating the leadership of the party and state.... All these tendencies are wrong, dangerous, and damaging to the revolution.

Proceeding from this burning reality, our entire party, Army, and people fully agree to the need to continue asserting the party's leading role in a separate article, as it was done in Article 4 of the draft constitutional amendments. This affirmation is not only a deep sentiment that our people have reserved for the party for so many generations but also an ardent wish of the masses and a pressing demand of the revolutionary cause, particularly in the current circumstances. This is necessary for quickly elevating our country and nation to the standard of our time. This is a crucial question of the revolution and a vital issue of our nation.

However, when studying Article 4 in the draft constitutional amendments, some people have expressed the view that the lawmakers may have been too "modest" and "flexible" when they failed to definitely affirm that the party is the sole force that leads the state and society, that Marxism-Leninism and Ho Chi Minh thoughts are the foundation and the lodestar of the party's activities, and that the party must renovate and redress itself to fulfill its task of leading the revolution. These are the facts that all society has recognized, and they are not only an internal matter of the party.

Constitutional Amendments, Social Issues Viewed

922E0127A Ho Chi Minh City TUOI TRE
in Vietnamese 10 Mar 92 pp 1, 7

[Article by TC-HD]

[Text] Speaking at a meeting on the morning of 8 March with National Assembly Deputies Ly Chanh Truong, Chu Pham Ngoc Son, Nguyen Thi Ngoc Phuong, and Nguyen Ngoc Ha, voters from the intellectual circles in Ho Chi Minh City contributed ideas to the draft amendments to the Constitution and made many suggestions on how to resolve social injustices and on setting official prices for housing units.

Contributing his views to the constitutional amendments, a voter who was a party member brought up the fact that in the mechanism of party leadership and state management, no clear distinction has been made between the power of the party and that of the state in personnel organization. According to him, it is necessary to entrust the prime minister and heads of agency of the executive system with the power to appoint (including the power to promote, transfer, and dismiss) officials of the executive branch. He proposed that relations

between party committee echelons and state leaders be clearly defined. He also supported the system of putting National Assembly deputies exclusively in charge of specific duties, and insisted that deputies must really be members of parliament and meet all the criteria of ethics, knowledge, and health.

Many opinions brought up the state of increasing social injustices and suggested that the state resolve this problem.

On the morning of 7 March, 21 National Assembly deputies from Ho Chi Minh City met with voters from all parts of the city in preparation for the 11th session to be held in late March 1992. Speaking at the meeting, Lawyer Hoang Trung Tieu pointed to a legal irrationality: The right to supervision of the Vietnam Fatherland Front [VFF] and various mass organizations is clearly stated in the Constitution, but regrettably, there has been no state document that concretely defined that right. This has resulted in state organs acting in an arbitrary fashion. He said: In a very large number of cases, state organs refused to reply to petitions from the VFF and various mass organizations, and no sanction in any form was applied against the state organs acting in defiance of the views of the VFF and these mass organizations. This is precisely the cause of the state of affairs wherein some citizens have sent 300-400 petitions to various state organs without receiving any reply from them. He proposed that the National Assembly institutionalize the mass organizations' right to supervision.

Voters also sounded the alarm to the National Assembly concerning the state of women's dignity being slighted as a result of widespread prostitution.

Many views focused on reflecting the situation of setting official prices for housing units and advised that, in dealing with this problem, the National Assembly should make a clear distinction between those who are responsible and those who are victims in order to make the right decision.

ECONOMIC

Important Agreements Reached During Malaysia Visit

922E0124A Ho Chi Minh City THOI BAO KINH TE
SAIGON in Vietnamese 13-19 Feb 92 p 9

[Interview with Vice Foreign Minister Vu Khoan in Hanoi by Hong Mai; date not given: "Interview With Vice Foreign Minister Vu Khoan Following Visit in Malaysia: Two Sides Reached Many Important Agreements"]

[Text] Council of Ministers Chairman Vo Van Kiet and a 28-person delegation including Vice Foreign Minister Vu Khoan made an official four day, 20-23 January 1992, visit in Malaysia. Shortly after their return to Hanoi Vice

Minister Vu Khoan granted an exclusive interview to THOI BAO KINH TE SAIGON as follows.

[Hong Mai] As you have just come back from Kuala Lumpur, how do you assess the potential economic cooperation between our country and Malaysia?

[Khoan] I am optimistic about the prospects for our country's economic cooperation with Malaysia. This optimism arises from these facts: One, the two countries are geographically close; two, the bilateral political relations are generally good, with the trend toward regional cooperation and cooperation among the developing countries growing everyday; three, Malaysia has made remarkable achievements in its economic development, with its per capita GNP having reached US\$2,500, and not only is ranked first or second in the world in terms of rubber, palm oil, cacao, tin, and so on, but also has a very prosperous electronics sector, which allows it to have the capability and the interest in investing money abroad; and finally, Malaysia needs to import a number of Vietnamese products like rice. And so the economies of the two countries can supplement each other.

[Hong Mai] In reality, how have the recent business relations between the two countries been?

[Khoan] In reality, the cooperation between the two countries has developed remarkably well. Although the values are still modest, the volume of goods being exchanged between the two countries has been increasing at a fast pace. Our state has issued permits for eight joint business projects. In March 1991, following the previous visit in Malaysia of Vo Van Kiet then vice chairman of the Council of Ministers Standing Committee, the two countries outlined a program of cooperation in many fields, such as oil and gas, agriculture and industry, mining, manufacturing industry, and aviation. Since then the two countries have signed cooperation contracts for exploring and extracting oil and gas in accordance with the product-sharing formula, with the Malaysian side moving quite quickly and accepting to train 150 cadres for Vietnam's oil industry.

[Hong Mai] During Chairman Vo Van Kiet's visit in Malaysia this time what agreements did the two sides reach regarding economic cooperation?

[Khoan] The visit brought about fine results. The two sides reached many important agreements. One, the two countries signed an accord to encourage and guarantee investment. Two, the Malaysian Government actively raised the question of providing Vietnam with technical aid in order to train cadres at all levels for various sectors. Three, the two sides agreed to set up a joint committee to accelerate the cooperation between the two countries. Four, the two sides agreed to conclude at an early date a maritime accord to establish direct maritime relations and thus to avoid going the longer route, through intermediaries. At the same time, the two sides also agreed to open early talks about signing a posts and telecommunications agreement to avoid imposing tariffs twice. Along with the agreement on guaranteeing and

encouraging investment, these accords will create a legal basis for expanding economic cooperation. Five, the two sides agreed to strengthen their finance and banking cooperation, with an immediate move being to permit the Public Bank, one of the largest banks in Malaysia, to do joint business with our country's Investment Bank. Six, the two sides agreed to extend the Kuala Lumpur-Ho Chi Minh City air route to Hanoi. And finally and no less important, the Malaysian friends expressed their desire to readily share with us their economic development experience. This they have actively done in the past year and will speed up in the time to come.

[Hong Mai] And so the phrase, "the visit brought about fine results," was not an empty cliché. In your opinion, what is the decisive factor that can speed up the bilateral cooperation between the two countries?

[Khoan] According to the mechanism adopted by countries having market economies, the government only creates the right environment and leaves doing business to businessmen. Therefore, in my opinion, one of the decisive factors that speed up cooperation is the interest of businessmen. The interest of Malaysian businessmen in Malaysia-Vietnam cooperation was something that surprised us. I had the opportunities to accompany the Council of Ministers chairman during his visits in Indonesia, Thailand, and Singapore. In those countries we did have meetings with the business communities, but nowhere did I see as I saw in Malaysia nearly 1,000 businessmen of the caliber of those in Kuala Lumpur and from neighboring states show up to find out about investment in Vietnam.

[Hong Mai] What were they interested in?

[Khoan] They explored the possibility of cooperation in all fields, with no exception, but they worried about many things, such as to lease land for a long time, as required by growing industrial crops, instead of just 25 years, a limit preventing profitable operations; land being too expensive in our country and making it incapable of competing with neighboring countries, while our country's infrastructure remains very poor.

Labor cost should be satisfactory to them because, in their opinion, labor cost in our country is still high and thus is not enough for them to compete. In regard to their ability to bring profits home and the formalities for this, they thought our procedures should be simple and there should be people available to make decisions. In Malaysia, representatives of all agencies concerned share the same building and investors need only go to that building to have everything resolved right there.

[Hong Mai] How do you comment on such worries?

[Khoan] In my opinion, the organs concerned should study them and adopt satisfactory solutions before they can hope to attract capital investment from Malaysian businessmen in particular, and from foreigners in general.

Joint Venture, Pace of Oil Exploitation Viewed

922E0125A Ho Chi Minh City TUOI TRE CHU
NHAT in Vietnamese 15 Mar 92 p 3

[Interview with Heavy Industry Minister Tran Lum by Huy Duc; place and date not given: "New Pace in Investment and Exploitation of Oil in Vietnamese Continental Shelf"]

[Text] Last week Viet Xo Petro successfully extracted the 10 millionth ton of oil. At the same time, also in Vung Tau, 20 foreign companies took part in a seminar on oil exploitation in Vietnam. These two events showed a new pace of development in this important industry. Heavy Industry Minister Tran Lum provided additional information in the following interview with our reporter.

[Huy Duc] Please make an assessment of the results recently obtained in the Vietnamese-Soviet oil-gas exploitation joint enterprise.

[Lum] By our assessment, the Viet Xo Petro Joint Enterprise has actually obtained a remarkable result, 10 million tons of oil, which is very valuable. Presently, of the 11 oil exploitation contracts that have been put into effect, only Viet Xo has found oil at the level of having some commercial value. Also during the time of the joint enterprise, another result obtained by Viet Xo Petro that we should mention was the fixed assets contributed by both sides that now have a value of 1.5 billion dollars.

[Huy Duc] Some news reports pointed out that in the oil exploitation industry the joint enterprise we had with the former Soviet Union involved high investment costs. Is it true?

[Lum] Yes, that's true. In the case of investment by other countries, the average production costs normally account for about 25 percent. But in the Vietnamese-Soviet joint enterprise, the production costs in 1991 accounted for 35 percent, in spite of the fact that such costs had been reduced. The reason why production costs were high was that at the time the joint enterprise was established, we had state subsidies covering everything, from organization of the machinery and staff to supervision and management. On the other hand, compared to many countries, the Soviet industries were not as modern.

[Huy Duc] With 10 million tons of oil having been extracted, do you think that you have begun to earn profits, considering the investment that was made in the past 10 years?

[Lum] To figure out whether we have earned profits is really difficult. As I said earlier, we used to operate in the form of state subsidies—just to expend materials and not to make any calculations. Only in the last two years did we begin to raise the question of careful accounting. The "profits" coming from oil today are only mentionable in that the foreign currency we collect each year is put into the state budget to help resolve budgetary difficulties and

is not scattered as is the case of the foreign currency earned by other economic sectors.

[Huy Duc] In the past we had done joint business with the Soviet Union, but now who takes care of this role in the Commonwealth of Independent States?

[Lum] Russia.

[Huy Duc] You have said that presently Vietnamese and Russian specialists are selecting one of the nine companies that have bid for exploiting the Dai Hung field. In what capacity are these Russian specialists serving with their presence here?

[Lum] In the capacity of one side of the joint enterprise. In the past the Soviet Union had contributed to the exploration of Dai Hung field, and now to accelerate the exploiting process we have asked foreign countries to bid. Consequently, Vietnam and Russia are on one side and do joint business with the side that has successfully bid. We and Russia share the income.

[Huy Duc] When Russia replaced the former Soviet Union in its role in the joint enterprise, has the nature of the cooperation been changed as compared to the period of state subsidies, the "unaccountable" one?

[Lum] The two sides had to revise the accord and to create favorable conditions for doing joint business in a self-supporting manner and doing profitable business. The Russian side also must pay taxes, such as resources, income, and income transfer taxes, and limit to 35 percent the joint enterprise's production costs.

[Huy Duc] Oil-exploiting investors have now come to Vietnam in larger numbers and the pace of cooperation is increasing. However, as you have said, they still face many troubles, particularly the ones having to do with taxes. What is the real situation in this regard?

[Lum] They agree with us about imposing resources and income taxes, but they do not agree with us about imposing a tax on income transfer. The way we compute the taxes is we rely on the share of oil distributed to them in accordance with their contract, and when they ship this oil out of the country, we impose export-import tax. And also on the basis of this quantity of oil, we calculate its value and then impose another 5% of tax on income transfer. In their opinion, this way of imposing the tax is really imposing a tax on a tax. In all of the polls regarding the law on investment in oil-gas exploitation, they did suggest that we reconsider this matter.

[Huy Duc] What about our own opinion on this?

[Lum] A bill is being prepared for submission to the National Assembly. According to international practice, they do not impose tax that way. In our country, different organs have different opinions.

[Huy Duc] Presently, to what extent are American oil companies interested in our oil and gas, and will they be a part of the contracts to be signed with us regarding exploiting oil?

[Lum] American companies are very strong in terms of both capital and technology. An oil-gas industry that has the participation of American companies is very good. They are also very interested and hope to directly invest in exploiting oil in Vietnam. Some American businessmen have written to me to express this intention. However, the embargo remains an obstacle for them. On our side, we just operate within the international laws. We cannot bear the fact that because of an obstacle created by their own government we have to wait for them.

1991 Work Reviewed; Oil Drilling To Progress

922E0125B Ho Chi Minh City TUOI TRE CHU
NHAT in Vietnamese 15 Mar 92 pp 3, 16

[Article by Duc Lien: "From Offshore Drilling Platforms"]

[Text] As of the Nham Than New Year's Day, the Bach Ho field had 10 stationary drilling platforms, one central industrial platform, and two oil tankers, which some people refer to as floating oil-filling stations. In 1992, the assembly and installation of stationary drilling platform No. 10, the last one in the Bach Ho field, will be completed. Then the oil-gas joint enterprise will continue to extract oil in a new field called Rong. At the same time, central industrial platform No. 2 will complete its second stage—to increase the volume of separation of gas from oil to 20,000-25,000 tons/day-and-night, or twice the volume obtained last year.

As 1991 drew to a close, the drilling crews completed the drilling of 13 wells totaling 51,000 meters of drilling. A noteworthy fact was that seven wells yielded a large volume of oil. The Tam Dao mobile drilling platform, the "floating hotel" off the coast of Vung Tau, is a luxurious one and the most modern one in the Bach Ho field area. Tam Dao has done 8,400 meters of drilling, exceeding its assigned work by 839 meters. So much labor, grey matter, and silent sacrifice that few people knew about were traded for that many meters of drilling. The two wells that had been drilled, 421 and 422, yielded a large volume of oil. Well 421 set a record for reaching into the bottom of the oil deposit with 4,208 meters of drilling, i.e., an additional depth of 1,000 meters. That was the very first achievement scored by the Sea Drilling Enterprise. This year, the Sea Drilling Enterprise is assigned the goal of drilling 49,000 meters in 14 wells, including a new one in the Rong field.

At the beginning of the second quarter of 1992, the Vietnamese-Soviet oil-gas joint enterprise will officially put tanker Chi Lang into operation in the Bach Ho field area. Chi Lang is the enterprise's private property, which it acquired with accumulated capital, and allows it to stop leasing the tanker Java from now on. This fact

bespeaks the better results obtained by the Vietnamese-Soviet oil-gas joint enterprise since the Nham Than (Year of the Monkey) Tet.

The drilling crews and oil-extracting workers, who have confidence in their own capabilities, in 1992 will not stop at the 4.8 million-ton level but will probably aim at 5-5.5 million tons of industrial oil.

If we consider the enterprise's income as a whole, starting with the sales of crude oil (with 35 percent of total income being allowed to put aside), an increase of the volume of oil extracted will help speed up the efforts to put the Rong field into operation. As of January 1992, in the Bach Ho field area, the Exploitation Enterprise alone had seven cadres holding positions ranging from primary engineer to platform deputy chief; the Sea Drilling Enterprise had two cadres being platform chiefs. From now until the end of 1992, we will gradually put Vietnamese in all platform chief positions, including cadres in charge of oil tankers. This reflects the growth and progress, which we should feel happy about, achieved by the body of Vietnamese engineers working in the oil-gas industry.

Investment Cooperation in HCMC Discussed

922E0124B Ho Chi Minh City THOI BAO KINH TE
SAIGON in Vietnamese 13-19 Feb 92 pp 11, 12

[Interview with Vo Thanh Cong, vice chairman, Ho Chi Minh City [HCMC] Investment Cooperation and Supervision Committee, by H.L.; place and date not given: "In 1992, Municipality Will Take Many Measures To Improve Investment Environment"]

[Text] Last year, foreign investment activities in Vietnam in general, and in Ho Chi Minh City [HCMC] in particular, showed a faster development than in previous years and reflected a much increased value of capital investment, a larger number of projects, and an improved investment environment. To provide our readers with accurate information about the state of investment cooperation with foreign countries in HCMC in 1991 and about 1992 projects, we have interviewed Mr. Vo Thanh Cong, vice chairman, Municipal Investment Cooperation and Supervision Committee, on this subject.

[H.L.] Please let us know some aspects of foreign investment in the municipality in 1991, and the tendency and scope of the projects. Were they different from those of previous years?

[Cong] In 1991, the municipality was allowed to issue 43 permits totaling more than US\$290 million of invested capital, or twice that in 1990. The foreign investors involved were mostly from the Asiatic region.

In addition, the units subordinate to the central administration and stationed in the municipality also were allowed to issue 30 permits involving a total capital investment of over US\$140 million. At the same time, there were about 20 investment units of other localities

and a number of units in charge of extracting oil and gas being stationed in the municipality.

Generally speaking, the municipality's foreign investment picture of last year showed some new aspects as follows:

—Projects grew larger in scope and tended to satisfy more and more the major needs for which the municipality had appealed for investment, a fact that was reflected in the availability of in-depth investment projects in a number of industries. In addition, there were also investment programs aiming at the infrastructure, where it takes a longer time to retrieve capital, such as the one involving the Tan Thuan export processing zone with more than US\$80 million of invested capital and the joint venture project aimed at modernizing the information network. Currently a project that is being considered involves investment in building an express highway north of Nha Be. Furthermore, the municipality is continuing the projects of investing in Ben Nghe Port, doing joint business with the Port of Saigon, and so on.

—Compared to previous years when foreign investors had been mostly small and medium companies, last year we had a number of relatively larger companies which were engaged in projects of a larger scope. In 1991 specifically, many Japanese companies came to survey our market; some of them submitted official investment projects costing each about US\$40 million, and up to US\$60 million in a particular case. These projects are all being considered by the central administration. In addition, after the Singapore Government had lifted the embargo on investment, many groups of Singapore businessmen came to our country to study investment opportunities. At the same time, a number of American investors also made active preparations: They surveyed and studied the market to be able to "jump" into Vietnam as soon as their government would "turn on the green light."

—Another new aspect of last year's investment picture was the increased speed at which the projects that have been granted permits were executed. In the case of the few projects that had been granted permits a long time ago, work was greatly accelerated. They included the Saigon New World Hotel project and the joint venture for investing in planting and processing eucalyptus. For some projects that have been granted permits just recently, such as the Heineken beer and A-1 monosodium glutamate programs, construction was urgently started.

However, some major problems that still remained last year and should be resolved had to do with poor preparations for a good investment environment. Because of the lack of a list of priority investment goals, we were far from active and acted only in accordance with foreigners' suggestions. The slow progress made in some projects points to the fact that Vietnamese investors lack information on their foreign counterparts. Our network

of cadres doing investment work is both numerically small and weak, with cadres failing to know the investment needs of their own units and being unfamiliar with legal matters and unable to speak foreign languages. In the legal field, we still lack many documents that interpret the laws. Many units have often complained that there still exist improper things in regard to income tax and social security withholdings. In addition, there are in management too many liaison bases (the Municipal Investment Cooperation and Supervision, the Foreign Economic Relations Service, and the organ that represents the State Committee for Cooperation and Investment (SCCI) in the municipality) creating difficulties for units, requiring them to ask questions in many offices only to get different answers, and so on.

In 1991, the investment tendency was to go more into hotel and office services (10 out of 43 permits); and there were six permits granted to foreign countries and involving investment of 100 percent of capital, which was of small scale, US\$1 million and less.

[H.L.] What will the municipality do to reduce the difficulties that you have just mentioned and to improve the investment environment?

[Cong] In 1992 the municipality will take many measures to improve the investment environment. About organization, the Municipal People's Committee recently issued a decision (No 657/QDUB, dated 20 November 1991) on the establishment of the Municipal Investment Cooperation and Supervision Committee to unify one liaison base doing investment work in the municipality.

In addition, the municipality is prepared to issue a directive on reorganizing investment advisory services, which will strictly prohibit individuals and private people from providing these services and will tighten the management of such services to lessen the trouble that foreigners must go through as they seek a better knowledge of investment matters.

Furthermore, the municipality is actively getting prepared to make a list of priority investment goals for the 1992-1995 period and is drafting a plan for the central part of the municipality, which will appeal for investment and set up a plan of action covering the entire process, from the time foreigners expressing their desire to invest until the time permits being granted their projects.

About the infrastructure, the shortage of electricity as it exists this year created difficulties for our calling on foreign countries to make investment. The municipality is discussing and coordinating our work with the utilities and communications sectors to appeal for foreign investment in this field, with favored and more attractive conditions compared to other sectors.

[H.L.] What are some of the municipality's goals in 1992 regarding attracting foreign capital investment?

[Cong] There is quite a lot of work to be done this year. The first thing is to set forth early a list of priority projects for putting foreign capital investment in the key immediate areas of activities. About the 1992 plan, the municipality anticipates attracting a total capital investment of US\$300-400 million, with actual capital value accounting for 60-70 percent of this total. We will try to create by the end of 1992 25,000 additional jobs, both regular and seasonal. In addition, we will join a number of provinces in drafting and carrying out common investment programs. On the other hand, in addition to calling on foreign countries to make investment here, the municipality will actively create favorable conditions for investing abroad, perhaps first in Laos and Cambodia.

Last year, however, there was a form of investment that flourished quite well and was not included in the system of investment laws, namely, investment by relatives of Vietnamese living overseas. The results of this investment served to encourage the private production sector to develop itself quickly. The municipality should review the campaign aimed at encouraging this type of investment and then draft and adopt some policies to create more incentive.

In addition, if foreign companies invest in infrastructural fields and export production sectors or bring in modern technologies, the municipality will grant them special privileges, such as tax reduction, longer investment time, and so on.

Minister Interviewed on New Import-Export Policy

922E0126A Ho Chi Minh City TUOI TRE CHU
NHAT in Vietnamese 22 Mar 92 pp 6, 7

[Interview with Minister of Commerce and Tourism Le Van Triet by Kim Phi; place and date not given]

[Text] [Phi] Besides evaluating and reviewing the sector's operations in 1991 and discussing guidelines for 1992, the national conference on commerce and tourism had a more important target—to prepare for the mechanisms and policies regarding state management of imports and exports. Would you summarize those problems for us?

[Triet] The target of the new mechanism is to bring order to state management of the import-export sector, create stability, and avoid confusion and vagueness in management, which was the situation in the past. Because of that, people had a negative view of this sector and felt that the corporations carried on operations in a very disorganized manner. To hit this target, the sector management policies must be clear and open, and things must be very clear for the independent business operations of the import-export units. The new draft mechanisms and policies specifically stipulate who will be allowed to engage in import-export activities, which goods can be imported and exported freely, which goods will be restricted in order to balance the national

economy, and which goods will be prohibited. Import-export activities are subject to the import-export tax laws. The new tax tables will go into use this coming April.

[Phi] Then according to the new mechanism, people in the private sector can engage in import-export activities, is that correct?

[Triet] One point that needs to be reaffirmed is that from now on, we will eliminate the old concepts that are not in accord with a market economy, such as sector, integrated, direct, and assigned import-export activities, which gives special privileges to just a number of units that actually haven't done a very good job. Instead, the import-export sector will be open to all economic elements. The ministry will not control the juristic entity qualifications of the commercial corporations but will just manage some of the technical economic activities, because we already have laws on that. For example, regarding state commerce, there is Decree 388/HDBT. And for the other economic elements, there is the Corporation Law and the Private Business Law. Thus, private individuals who want to engage in import-export activities must establish a corporation in accord with the laws. People are free to engage in such activities as long as they do so in accord with the law. When they carry on business activities in the import-export sector, these units will be required to do a number of other things. For example, they will have to pay an import-export fee, they will have to have \$200,000 in liquid capital in either Vietnamese or foreign currency, and so on.

[Phi] Is the ministry concerned that too many new import-export units will come into being? Some people say that a center must be formed and that the number of middlemen must be reduced.

[Triet] The new mechanism encourages enterprises to produce export goods and gives them the right to look for customers and markets in order to export their products. In order to avoid the situation in which middlemen make large profits through the former assignment mechanism, the ministry will not interfere directly but will allow businesses to deal directly with each other. But is there still a middleman problem? In a market economy that has not posed the question of middlemen, that is just a preliminary concept of a commodity economy. Only after a long time did we get such corporations as Sumitomo and Nisho Iwai of Japan in order to carry on things and establish stable markets and customers for the producers. Aiding production enterprises does not mean that we want to eliminate commercial businesses. Expansion and contraction based on forming centers in accord with subjective wishes is not correct. The problem is to design a series of laws for business activities. Those who pledge to obey the laws will be allowed to engage in import-export activities. But we cannot allow the growth of units that survive just through seals and the intermediary and assignment mechanism, and that really don't do anything.

[Phi] People have mentioned many negative and irrational things regarding allotting quotas and issuing norms. Will this problem be solved in the new mechanism?

[Triet] Although we have not discovered anything concrete, the Ministry of Commerce and Tourism and the other ministries can't assert that there are no negative aspects. The ministry has officially proposed that the Ministry of Interior, the State Inspection [Commission], and the Supreme Organ of Control continue to monitor and inspect things in order to discover negative aspects. The main reason is that the quota allotment mechanism is not efficient. Some quotas are allotted by the Council of Ministers and some are allotted by the ministries, but they are allotted to the provinces, cities, and sectors before being transmitted to the commercial production units. Because of this, quotas are not allotted to the right targets, things are not clear, or domestic production capabilities are exceeded. For example, 79 corporations were allotted an export quota of 2.5 million tons of rice, but in reality, only 16 corporations exported about 1 million tons. The coffee quota was set at 100,000 tons, but the entire country produced only 70,000 tons.

This year, the allotment of quotas will no longer be dispersed but will be centralized in one center, the Ministry of Commerce and Tourism, which will allot quotas to all commercial units. At the same time, management through quotas has been streamlined. There are now only four types of export goods, and there is only one type of import. For major types of goods, there must be quotas or a balance for the national economy. This includes such goods as rice, cotton, gasoline, oil, iron, steel, and so on. The state will stipulate a number of large state-operated units. But it will allocate only about 60 percent of the norm. The remaining 40 percent will be reserved for commercial units that have markets and customers. These norms will be revised throughout the year in order to avoid the buying and selling of quotas by units that have been allotted quotas but that don't have the ability to fulfill the quotas.

[Phi] Have any changes been made with respect to issuing permits?

[Triet] Based on the new mechanism, this year the ministry will not review the business plans of the units, and that is not practical, because no one can know ahead of time the business plan for the entire year. Units that are juristic entities and that have foreign commerce contracts can go to the nearest one of the six offices that issue permits in order to request a permit. They don't need to go to Hanoi. In the past, there were some illegal commercial units that ran to this or that ministry in order to cause disturbances.

By concentrating things in the Permit Office, the ministry will be able to play its state management role. In Singapore, there are 11,000 corporations but only one center to issue import-export permits. Here, there are cadres who have been given formal training, who understand the markets, and who can consult the ministries

concerned in order to manage and serve as the staff for the import-export units to ensure that their interests with respect to prices and markets are not adversely affected. For example, after consulting with the sectors concerned, the ministry has the right to block the import of additional refrigeration equipment, because there is already excess domestic capacity, or it can block the import of outmoded types of equipment such as in the case of the Indira Gandhi Textile Plant.

[Phi] I would also like to ask you, Why has the ministry recently controlled the price of export rice at a time when there is a surplus of rice within the country? And what about the export of timber?

[Triet] Using a market mechanism does not mean that we are no longer controlling quotas and prices. This is one of the measures for protecting the country's trade. Recently, the price of 5-percent rice on world markets was \$266 per ton, but the ministry set the price at only \$256, because transport and freight handling conditions in the country are poor. Even so, some corporations (I don't want to reveal their names) insisted on selling rice for only \$251, because traders wouldn't pay a higher price. The ministry resolutely refused to approve this after considering international market demand. In the end, these traders agreed, because our prices are cheaper.

As for timber, the ministry has great sympathy for those corporations that have goods in stock, but the state prohibited exports beginning in 1989. This is not something new. Our ecology and environment are deteriorating and so the National Assembly decided that it must prohibit the export of logs and lumber. Neighboring countries such as Indonesia, Malaysia, and Thailand have closed their forests. We cannot allow our natural environment to be destroyed for just a small profit—about \$100 million a year in exports. We may have to allow a number of corporations to go bankrupt. That is better than allowing our country's environment and resources to be destroyed.

Mekong Delta Food Output Continues To Rise

92SE0196E Hanoi VIETNAM NEWS in English
8 Mar 92 p 1

[Article: "Food Output Keeps Rising in Mekong Delta"]

[Text] The Mekong River Delta, Vietnam's largest food producing region, last year yielded half of the national food output of 21.7 million tonnes even though it lost more than 240,000 tonnes of rice in big floods that swept five rice riverine provinces for a whole month late last year.

Of the delta's total food crop (10.2 million tonnes) 10.073 million was rice, a record high for decades, because of a shift to free rice production begun four years ago. The shift has not only encouraged intensive farming

and multiple cropping but also involved the reclaiming of vast swampy area in Dong Thap Muoi or Plain of Reeds.

Ask any farmer in the region what is the most important cultivation technique and he will say it is the technique that makes it possible to raise more than one crop of rice on the same area.

The success of this technique is illustrated in the rise of rice product in all provinces to at least 1 million tonnes except Ben Tre where there is little cultivated land.

During the 1980s, Hau Giang was the only province which could produce that much. Last year, the same province took the lead by producing 1.904 million tonnes of rice. It was followed by An Giang with 1.5 million tonnes, Cuu Long (1.3 million), Dong Thap (1.21 million) and Kien Giang (1.2 million).

This year, farmers to take home 10.8 million tonnes of food including 10.65 million tonnes of rice. [sentence as published] The goal is not far fetched since individual farmers are no longer alone in production. Apart from their own money, 127 billion dong (about 12.6 million dollars) come from central and local funds for the improvement of irrigation.

Access to more bank loans are also expected to give a strong fillip to rice production. Last year, most of the 100 billion dong loaned to farmers in southern Vietnam went to the Mekong River Delta. Most of the 3 billion dong obtained by An Giang province was borrowed by farmers in Long Xuyen district, area where per capita food output was 2 tonnes, the highest mark in the country.

Textile Industry Upgrades Equipment, Production

92SE0196F Hanoi VIETNAM NEWS in English
9 Mar 92 p 1

[Article: "Southern Textile Industry Boosts Production By Spending More on Equipment"]

[Text] Textile mills in southern provinces have raised their combined output to 180 million metres a year and have made great effort in improving printing techniques and design to meet all tastes.

Almost 90 million dollars have been spent on new production lines and on upgrading existing equipment. Most of the state-provided fund went into the construction of a 100,000-cone spinning mill at the seaside resort

town of Nha Trang and the supply of cones to Thang Loi and Dong Nam mills in Ho Chi Minh City.

Thanh Cong, the pace-setter in the southern textile industry, has spent millions of dollars on new equipment and has thus increased production fourfold. It was followed by Phuoc Long which, with 10 million dollars, has raised its capacity from 12 million to 21 million metres a year. The whole industry employs about 16,000 workers.

Employees at Joint Ventures Underpaid

92SE0196D Hanoi VIETNAM NEWS in English
7 Mar 92 p 1

[Article: "Most Employees at Foreign Joint Ventures Underpaid"]

[Text] Up to 70 percent of the employees at foreign joint ventures in Ho Chi Minh City earn well below the 50-U.S. dollar minimum pay prescribed by the government for business ventures with foreign partnership.

According to the head of the Labour and Employment Bureau in the city, Mr. Nguyen Van Son, employees are also often overworked and are not paid for after-hours. Mr. Son cited the case of a banana plantation at Hoc Mon on the outskirts. Workers at this Taiwanese-invested undertaking have to work 10 hours a day in the open for a monthly pay of only 35 U.S. dollars. Pay is even lower, at about 30 dollars, is common at labour-intensive enterprises processing bamboo products. Besides, workers are assigned unreasonably high quotas. Not a few, therefore, have had to turn to their relatives for help.

Where after-hours are paid after all, rates are often lower than government-set rates, Mr. Son further said.

Moreover, very little has been done to ensure safety, Mr. Son said, adding that workers at the Taiwanese banana plantation have to work all day long in the sun without the benefit of even a sun helmet.

The widespread violation of workers' rights is a result of lack of organisation, the daily SAIGON GIAI PHONG said on Monday. The paper quoted union officials as saying that trade unions had been set up at only 73 of the 200 foreign joint ventures and privately-run enterprises. The officials also pointed to the resistance of employers, who see a drop in their profits if workers are well organised.

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